

# VISA



Discovery  
Bank

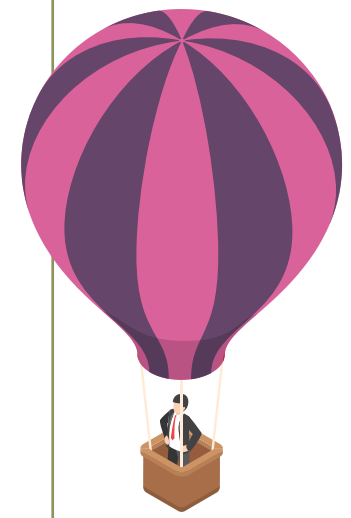
# SPEND TREND



## SPEND TREND | 2024



# C E O N T E N T S



# Foreword from Discovery Bank and Visa

**In a world where consumer needs are constantly evolving, the ability of organisations, industry leaders and entrepreneurs to understand and adapt to their customers' priorities may well mark the difference between stagnation and success.**

It is this belief that has once again fuelled our compilation of **SpendTrend24**, in partnership with Visa. Our latest report builds on the learnings of the 2023 edition to uncover even more relevant insights into consumer spending behaviours.

That's because our latest research extends far beyond the South African and Discovery Bank markets to include data from 11 additional cities around the world. We used Visa's vast global repository to compile our findings, analysing over 13 billion transactions made on 60 million credit cards worldwide.

The report highlights that throughout 2023, global economies were compelled to navigate intricate paths of post-pandemic revival, framed by persistent inflation and high interest rates. These macro-economic challenges pushed up the cost of living, requiring consumers around the world to adjust their spending habits.

The report's expansive view allows us to explore the effects of these challenges and to compare the spending patterns of typical South Africans and Discovery Bank clients with those of other emerging and developed markets. This comparison gives us a unique lens through which to view our economic adaptability and resilience.

We are grateful once again to Visa for their partnership, collaboration and deep analytical expertise in compiling **SpendTrend24**.

We hope its unique and thought-provoking insights will help stakeholders across various sectors intelligently and adeptly seize opportunities that speak to consumers' real needs and values – fostering a more prosperous economy for us all.

*Styffon Kalfner*

**CEO**  
Discovery Bank and  
Discovery South Africa



*Zinghree Moodley*

**COUNTRY  
MANAGER**  
Visa South Africa

**At Visa, we share Discovery Bank's passion to leverage data-driven insights that drive tangible value for clients. We believe SpendTrend24 will serve as a compass in guiding stakeholders towards more informed and actionable strategies.**

I commend the teams at Discovery Bank and Visa who've poured effort into compiling this research. Our aim is to spark meaningful dialogue and initiatives that bolster the economic security of individuals and businesses in South Africa.

**SpendTrend24** research encapsulates a wealth of data and analysis. It offers industry stakeholders a window into shifting behaviours, emerging trends, and the evolving expectations of consumers as we navigate the complexities of an ever-changing economic landscape.

From the study, we have observed how the growth in online and digital transformation has given rise to opportunities for economic growth and financial inclusion. The report offers valuable insights to support institutions expertly address diverse consumer needs and enhance their customer experiences. This, in turn, enables consumers to interact more seamlessly with the digital economy.

In practice, we've seen this play out remarkably well at home: South Africa stands out as a leader in the global shift towards digital wallets, online purchases, and contactless payments.

As ever, Visa is pleased to partner with innovators and early adopters as part of our steadfast commitment to promote financial inclusion, inform conversations within the financial and retail ecosystem, and help consumers navigate the digital economy with confidence.

We trust you will find value in this report.

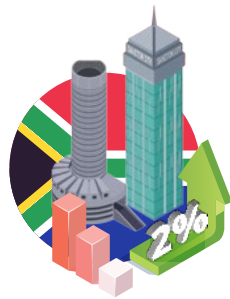


# Executive summary

The SpendTrend24 report was based on data from 2019 to 2023, consisting of over 13 billion transactions made on more than 60 million credit cards. Here are its key findings:

**Global consumer spending and saving habits are evolving, focusing on budgeting, value and trade-offs amid interest rates that are higher than before the pandemic.** The tightening of monetary policies by central banks in 2023 limited consumer access to finance and increased debt-servicing costs, negatively impacting consumer confidence and spending behaviour. Consumers are clearly becoming more conscious and cautious about their spending habits as global nominal disposable income growth falls behind inflation rates.

With pandemic-era savings depleting in most developed economies, rising debt payments on various types of consumer credit have also increased pressure on households' finances. In response to these challenges, consumers are changing how they spend and save money (*Euromonitor, New Economic Reality: Navigating High Interest Rates, December 2023*).



**Despite a challenging macro-economic environment, South Africa has proven to be highly resilient compared to global peers based on spend data.** South African cities showed more stable year-on-year spend shifts and less segment volatility compared to many global counterparts – a good indication of overall resilience. South African consumer expenditure growth stabilised in 2023, lagging inflation by two percentage points.



**Groceries, retail, travel and fuel make up nearly two-thirds of South African spend.** Overall, emerging market cities spend a higher share on groceries and fuel, and a lower share on travel compared to developed market cities, which also spend a higher share on eating out and takeout. Global travel volumes have largely returned to pre-pandemic levels, but at a higher cost, indicating a recovery in the travel industry with evident inflationary pressures.



**Variances exist in share of category spend across markets and segments.** Spend increased among the affluent and high net worth segments worldwide, with the mass segment experiencing modest growth or even declines. Choices appear to be made between affordability and convenience, with segments and markets differing in their share of spend on groceries, eating out and takeout, and travel.



**The benefits and increased security of digital payment options are driving rapid adoption globally,** with consumers in global cities increasing their use of digital wallets and online purchases. South Africa benchmarks well against global counterparts, with an impressive nine percentage point increase in digital wallet usage over the last year.

## Looking back: SpendTrend23 – Predictions versus reality

**SpendTrend23** analysed the period before and after the pandemic. Based on data from 2019 to 2022, it made five predictions about South African consumer trends for the remainder of that year. Here's how they panned out:

2023 predictions	2023 realities
Continued growth in online spend, especially groceries, as consumers become more comfortable with the convenience of online shopping, and as merchants expand choice and improve their ability to deliver a full basket.	In 2023, South Africans shopped online more, with a 10% rise in spend per active card and a 3% rise in transactions per active card compared to 2022. Online grocery spend per active card also grew by 10%, fuelled by more options and better delivery services.
Increased adoption of contactless payments as it becomes a trusted payment method for consumers, supporting an increasingly cashless economy.	More consumers prefer contactless payments, which now make up the majority of transactions in South Africa. This surge is driven by the increasing popularity of digital wallets.
Sustained levels of spending on eating out and takeout. This is supported by the convenience of food delivery platforms, and spurred on by loadshedding.	Average spending on eating out and takeout rose by 8% in 2023, highlighting its enduring popularity and convenience. Consumers have adapted to higher levels of loadshedding with low variance across the different levels.
Continued expansion of hybrid working models, supported by technology and high transport costs.	Hybrid work arrangements vary by city and industry, but remain common. Discovery Insure reports that over 75% of clients who are office workers now commute at least three days a week.
Continued growth in local travel.	In 2023, domestic travel in South Africa exceeded pre-pandemic levels, despite significantly higher costs. The airline industry improved, expanding flight options on existing routes and opening new ones for increased traveller choice and accessibility.





# About this report

## What is SpendTrend24?

SpendTrend24 is a unique collaboration between Visa and Discovery Bank, offering an in-depth look into credit card spend behaviour. Combining Visa and Discovery's extensive datasets and world-class analytical capabilities, our aim is simple: to understand consumer spending habits.

For SpendTrend24, our goal was to identify and understand changes in consumer spending patterns in 2023 compared to 2022 and pre-pandemic 2019, for Discovery Bank clients, the broader South African population, and select global cities. Through SpendTrend24, we aim to provide practical insights into evolving consumer behaviour both locally and globally.

### Methodology

This study used a quantitative approach to compare credit card spending data between Discovery Bank clients, the rest of South Africa, and those from select global cities. The study period covered the years 2019 to 2023.

We delved into detailed transaction data to understand how much people spend, what they spent on, and how they transacted. This granular analysis enabled us to discern shifts in spending preferences over time, illuminating how consumers adapt and become increasingly financially astute.

To ensure our analysis was accurate and fair, we compared similar groups of clients using metrics that control for the impact of dynamics like card replacements. All spend related metrics are based on the local currency of the relevant market for contextual accuracy. Moreover, to safeguard sensitive information and the privacy of cardholders and Visa clients, we anonymised data and indexed analysis throughout the study.

## The report highlights trends across three areas



**01** | How much people spend

What people spend on | **02**



**03** | How people spend





### The report analysed spend data across four different client segments

We divided all clients across South Africa, Discovery Bank, and select global cities into four segments based on spend volumes in their own local currencies: **High Net Worth**, **Everyday Affluent**, **Mass Affluent** and **Mass**.

- HNW
**High Net Worth segment (HNW)** refers to the top 5% of clients based on spend per active credit card
- EA
**Everyday Affluent segment (EA)** refers to the next 20% of clients based on spend per active credit card
- MA
**Mass Affluent segment (MA)** refers to the next 25% of clients based on spend per active credit card
- M
**Mass segment (M)** refers to the remaining 50% of clients based on spend per active credit card

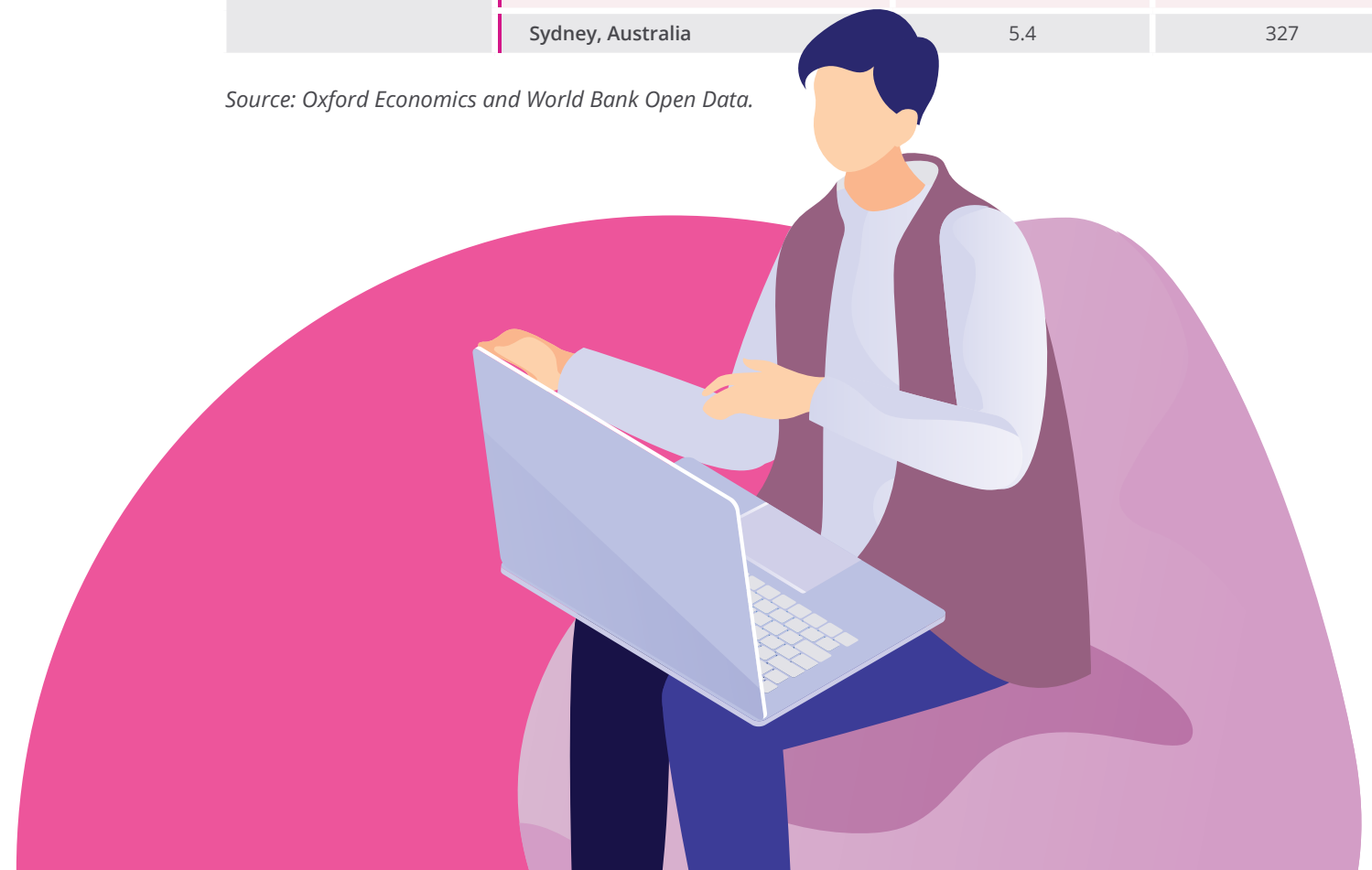
The methodology for grouping clients into segments was adjusted from SpendTrend23 (which was previously based on Visa product tiers) to ensure consistent comparisons within South Africa and with global cities, regardless of the currency used.

### The report analysed spend data across 14 cities worldwide

We analysed spending data from 14 cities around the world, including three South African cities, five emerging market cities, and six developed market cities. These cities were chosen based on economic and market data to provide relevant comparisons. The Visa dataset analysed included over 60 million credit cards, covering in excess of 13 billion transactions between 2019 and 2023. The selected international cities have a combined population of over 100 million people and a GDP of nearly USD 4 trillion.

	City	Population (mn)	GDP (USD bn)
<b>South Africa</b>	Cape Town	4.8	86
	Durban	3.5	25
	Johannesburg	6.0	130
<b>Emerging</b>	Accra, Ghana	6.6	23
	Ho Chi Minh, Vietnam	13.9	85
	Lagos, Nigeria	15.2	74
	Rio de Janeiro, Brazil	11.1	117
	Sao Paulo, Brazil	12.9	353
<b>Developed</b>	Barcelona, Spain	5.1	175
	Lisbon, Portugal	2.9	86
	London, United Kingdom	12.7	971
	Los Angeles, USA	12.9	1,060
	San Francisco, USA	4.6	640
	Sydney, Australia	5.4	327

Source: Oxford Economics and World Bank Open Data.



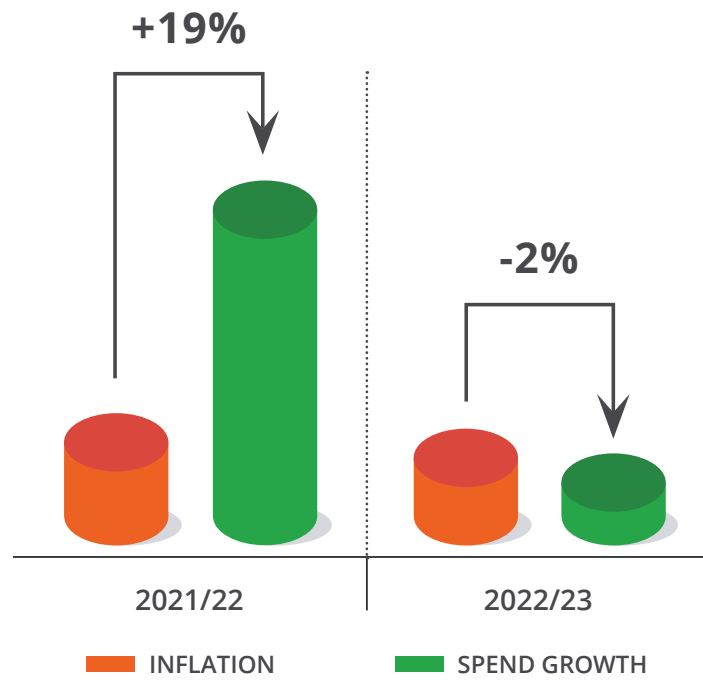
# How much people spend

Personal consumer spending growth in South Africa steadied in 2023 after the surge seen in post-pandemic spending in 2022.

While consumer spending in South Africa outpaced inflation by 19 percentage points in 2022, the growth in consumer spending closely matched inflation in 2023, lagging behind by just two percentage points.



South Africa average spend per active card growth vs inflation



Source: VisaNet data sample 2022-2023 and Stats SA.

Around the world, persistent high inflation has made consumers more cautious with their spending, driving them to choose their bank cards over cash not solely for access to credit, but to unlock the range of rewards and value that their credit cards offer.

This trend is evident locally too. According to a Euromonitor study, 86% of South Africans surveyed in 2023 expressed concerns about the increasing prices of everyday goods. Of these, 37% are intentionally buying more items or shopping at stores where they can get the most value, often through loyalty programmes.

Despite a challenging environment, **South Africans showed economic resilience compared to other global cities:**

- Spending is rising among affluent and high net worth segments, with a slight decrease in the mass segment due to rising living costs.
- Compared to cities in emerging and developed countries, South African cities demonstrate more stable spending patterns year-on-year and less fluctuation in spending across different market segments.

Average spend per active card growth (2022-2023)

		M	MA	EA	HNW
South Africa	Cape Town	-3%	0%	+1%	+3%
	Durban	-4%	0%	+1%	+3%
	Johannesburg	-3%	0%	0%	+3%
Emerging	Accra	-2%	+2%	+3%	> +10%
	Ho Chi Minh	-5%	0%	+2%	+6%
	Lagos	-7%	-4%	+6%	> +10%
	Rio de Janeiro	-8%	< -10%	< -10%	< -10%
	Sao Paulo	-8%	-9%	< -10%	< -10%
Developed	Barcelona	+4%	+1%	+2%	+5%
	Lisbon	< -10%	-1%	-2%	+4%
	London	+2%	-1%	0%	+7%
	Los Angeles	> +10%	0%	0%	-5%
	San Francisco	> +10%	0%	0%	-10%
	Sydney	+1%	+4%	+6%	+7%

Source: VisaNet data sample 2022-2023.

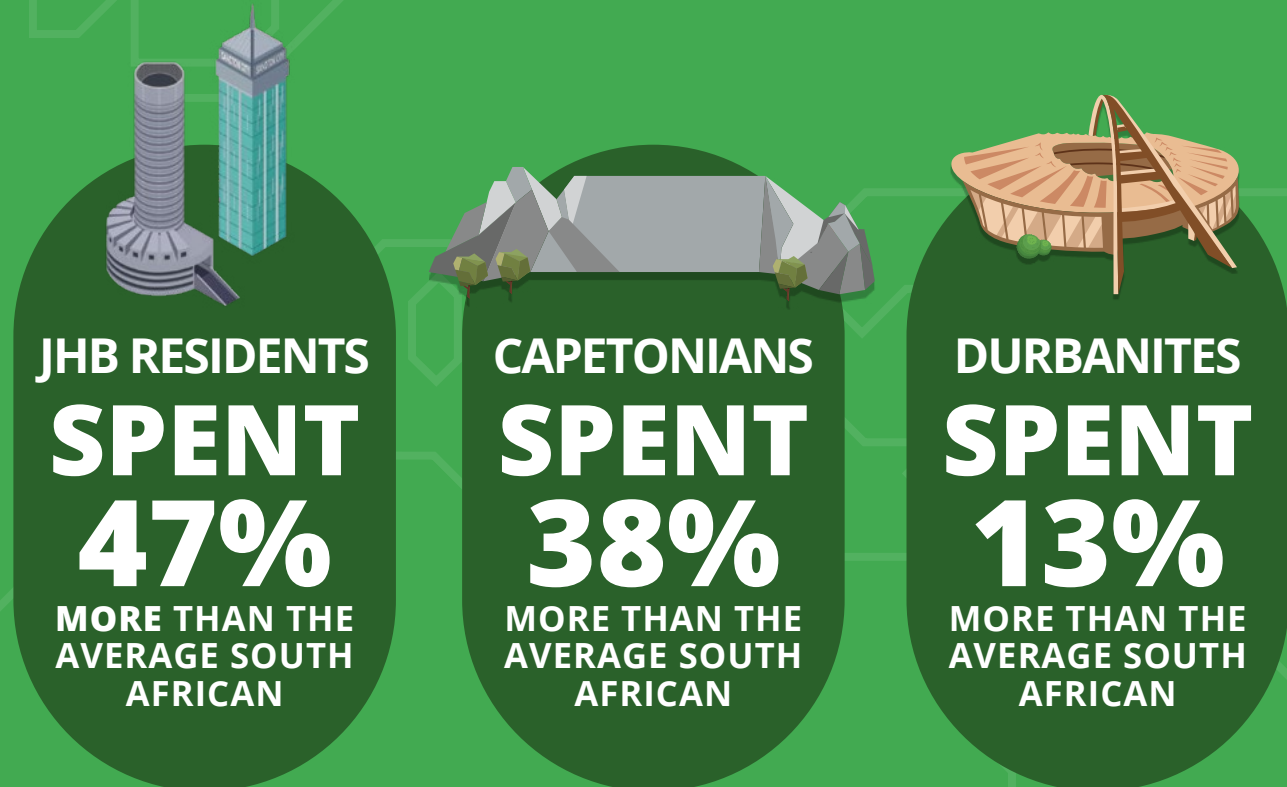




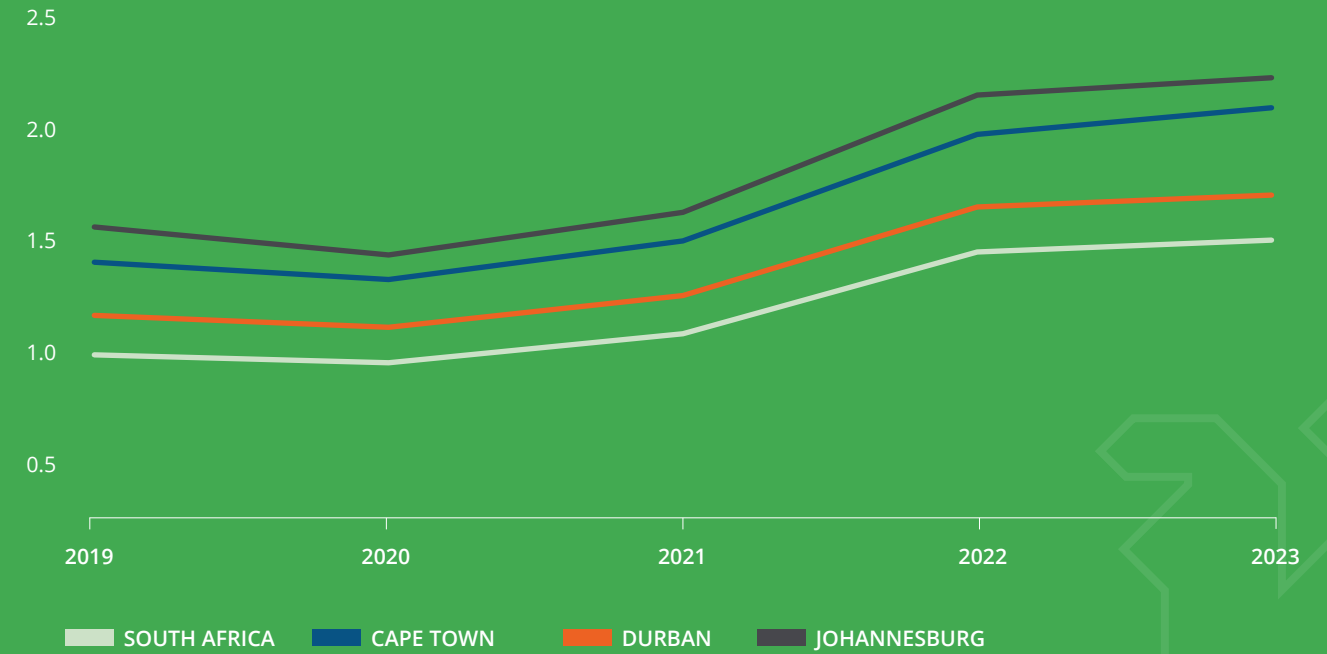
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# Joburgers are SA's biggest spenders

Spending patterns differed among South African cities, with major cities spending more than the national average.



Average spend per active card across South African cities (indexed to South Africa 2019)



Source: VisaNet data sample 2019-2023.

Among these cities, spending increased the most in Cape Town, rising by

# 6%

This growth was driven by above-average spending increases on groceries, eating out, and travel compared to other cities.

Source: VisaNet data sample 2022-2023.



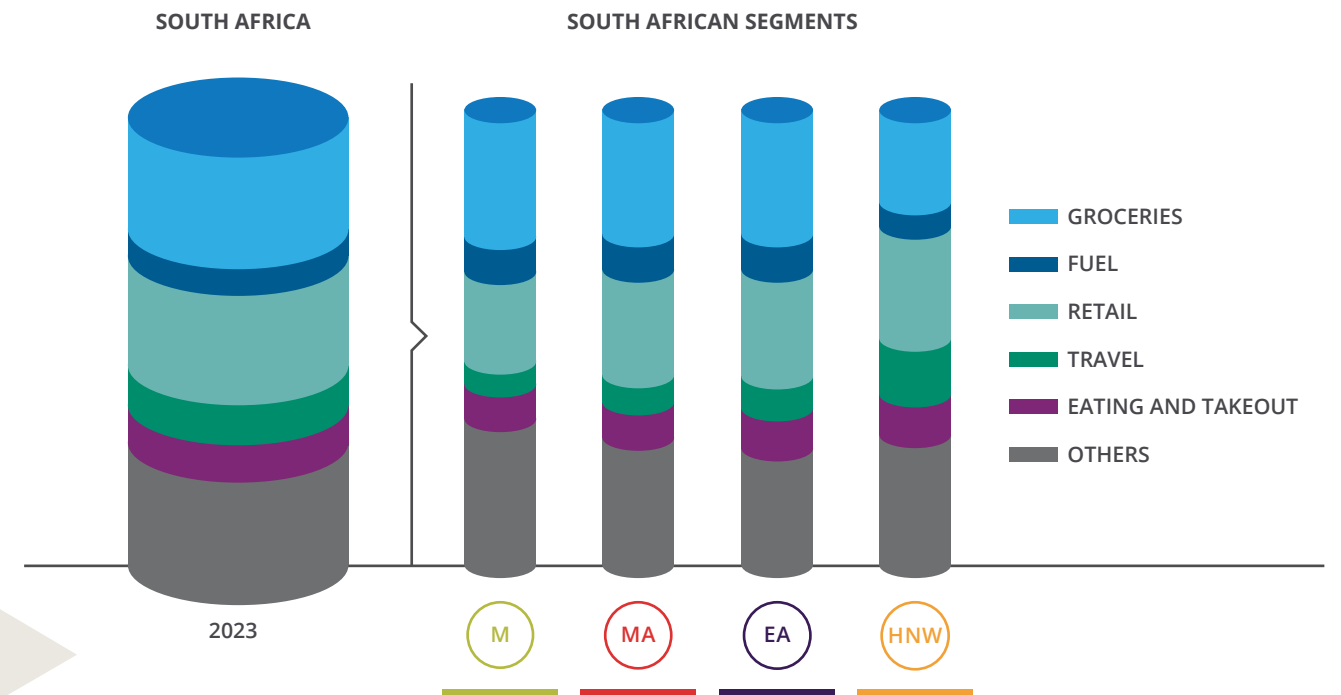
# What people spend on

## Summary of key spend drivers

**Groceries, retail, travel and fuel remain** South Africa's biggest spend categories, making up nearly two-thirds of total spend. However, the breakdown varies by market segment: groceries are the top category for mass, mass affluent, and everyday affluent clients, while retail is the main category for high net worth clients.



South Africa share of total spend per category (2023)



Source: VisaNet data sample 2023.

In 2023, Euromonitor noted that central banks worldwide raised interest rates to tackle rising inflation. As a result, consumers had to pay more to borrow money and adjust their financial strategies. This caused global household disposable income growth to fall behind inflation, leading to a trend of more cost-conscious behaviour among consumers.

Rewards enable Discovery Bank clients to spend more on travel and groceries

Compared to the average South African, Discovery Bank clients spent a larger portion of their money on categories like holidays and dining out. By using their credit cards, they benefited significantly from the value of the rewards and savings linked to these purchases.



In 2023, Discovery Bank clients saved over **R670m**

on discounted flights, car hire and accommodation through Vitality Travel



Discovery Bank clients earned over **R300m**

back in Discovery Miles on healthy grocery purchases with our partners in 2023

Source: Exclusively Discovery Bank.

Discovery Bank's shared-value behavioural banking model and digital approach encourage clients to manage their money better, and rewards them for practicing five key financial behaviours:

**01**

SPENDING LESS THAN THEY EARN

**02**

SAVING REGULARLY

**03**

INSURING THEMSELVES AGAINST UNEXPECTED, HIGH-COST EVENTS

**04**

PAYING OFF PROPERTY SOONER

**05**

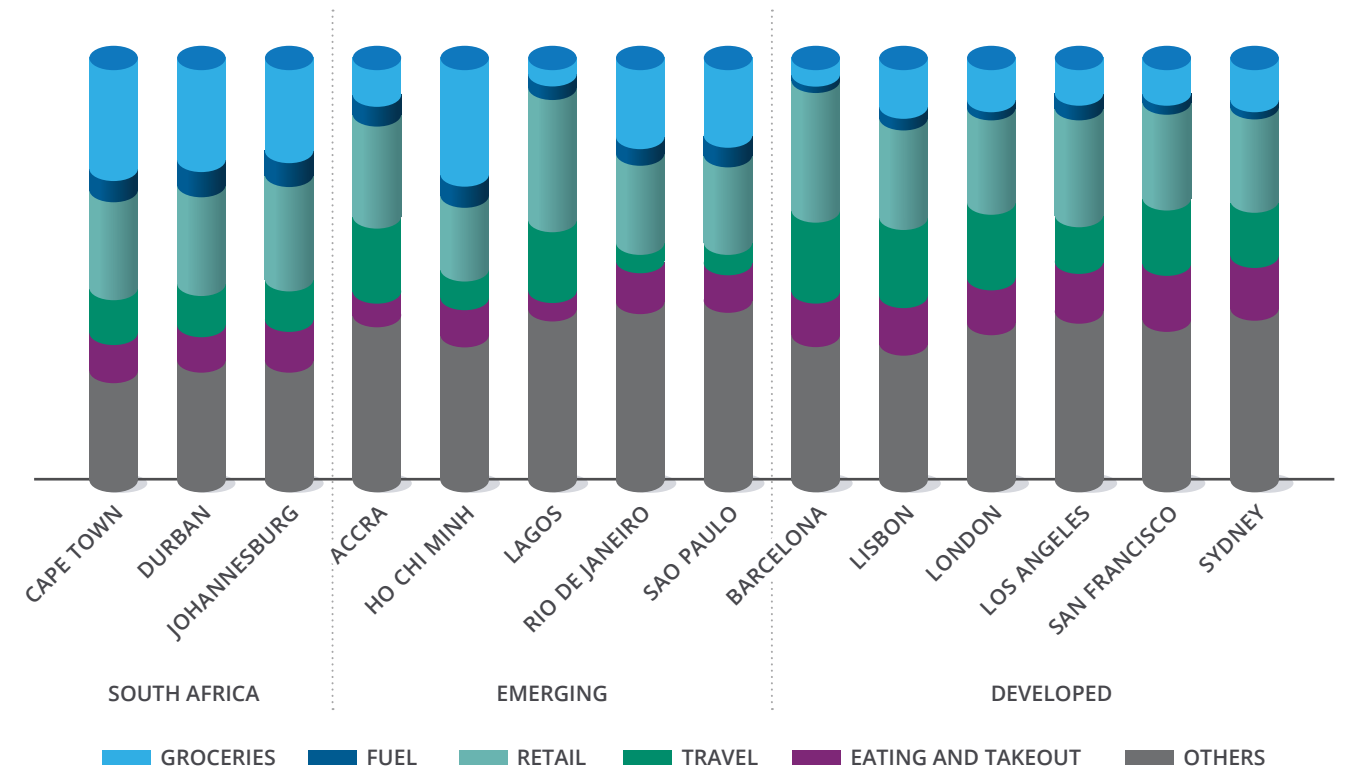
INVESTING FOR THEIR FUTURE AND RETIREMENT



Across cities worldwide, people differed in what they spent money on as a percentage of their total spend:

- Spend on food, including groceries, takeout, and dining out, has generally increased in most cities.
- In emerging markets, a larger part of the budget goes to essentials like groceries and fuel, with less spent on non-essentials like travel.
- In developed market cities, share of spending on travel is twice as much compared to emerging market cities (excluding Lagos and Accra).

Share of total spend per category (2023)



Source: VisaNet data sample 2023.



## Groceries, eating out and takeout

### Different budgets for different wallets

In the past year, average grocery spending in South Africa rose by 8%, compared to the 16% increase the year before. This was influenced by high food inflation rates of 12% and 11% over the last two years, respectively. In South Africa's market segments, grocery spend growth ranged from 0% in the mass segment to 8% in the high

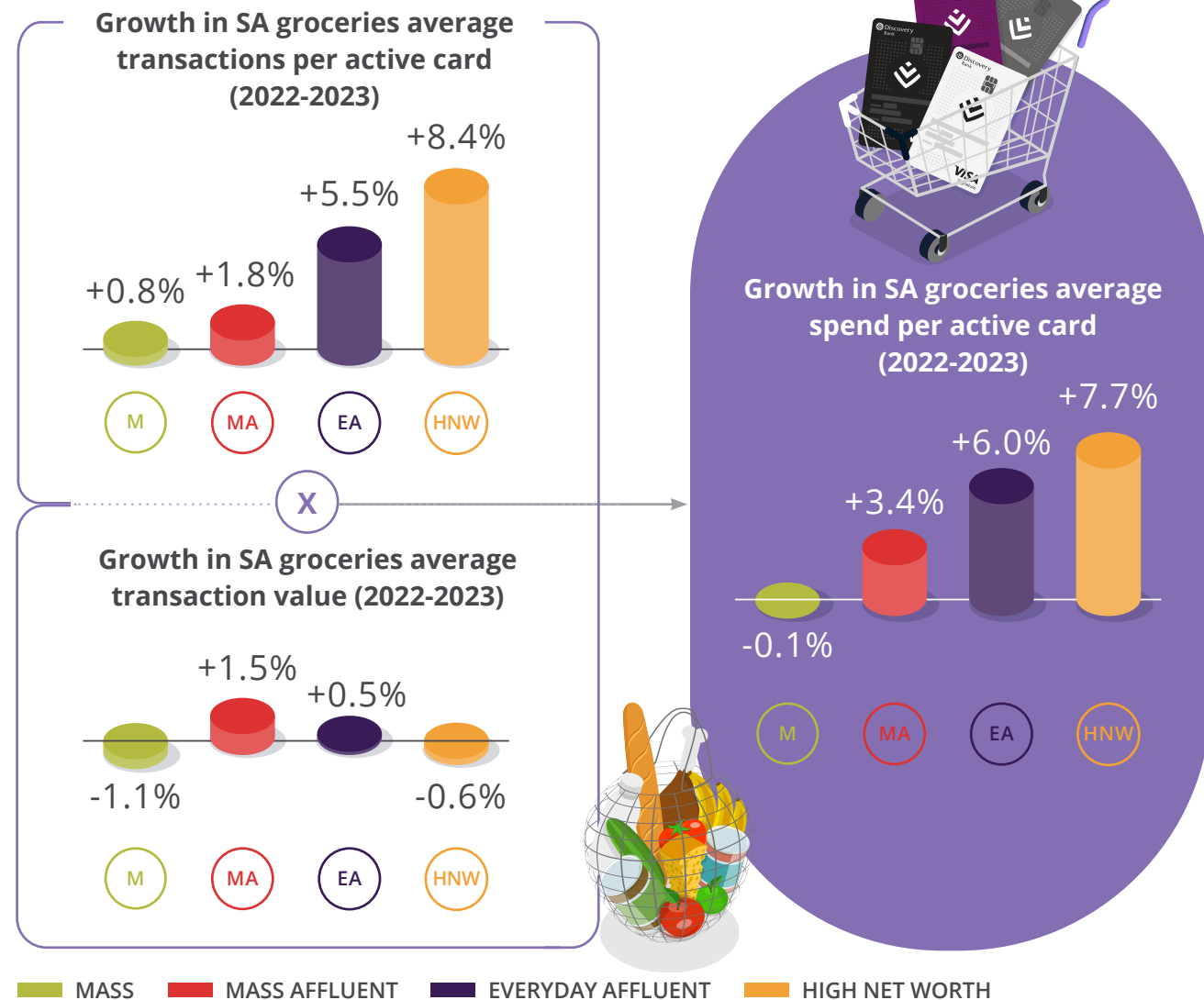
net worth segment. This is consistent with the view that the mass segment has adjusted their purchasing habits or bought less to cope with rising costs – likely worsened by more of their disposable income being used to repay debts, due to higher interest rates.



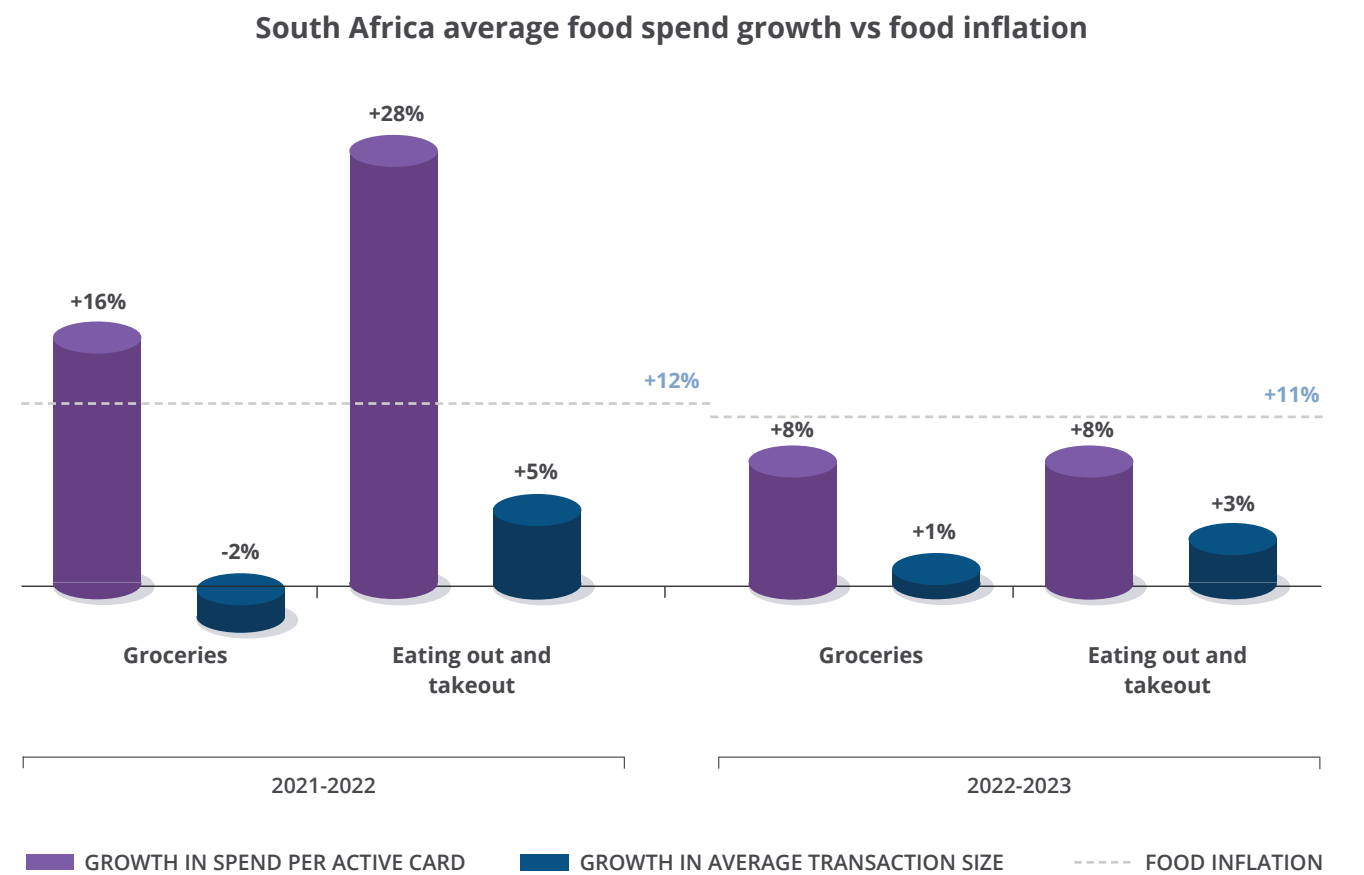
Overall, consumers visited grocery stores and made online grocery purchases more frequently in 2023. However, the average amount spent per transaction stayed about the same as in 2022. The increase in the average transaction size for online grocery purchases is three times higher than for in-store purchases, with the biggest growth seen in the mass segment.

Spending on eating out and takeout also increased in the last year by 8%, following a 28% surge the year before, driven by post-pandemic recovery. However, 70% of South Africans surveyed in 2023 say they cook or bake a prepared meal at least once a week, and 37% said they would pay more for healthy and nutritious food options.<sup>1</sup>

<sup>1</sup>Euromonitor Voice of the Consumer: Lifestyles Survey, conducted January - February 2023.



Source: VisaNet data sample 2022-2023.



Source: VisaNet data sample 2021-2023 and Stats SA.



### Dinner-time decisions: cost versus convenience around the globe

In emerging markets, home cooking is likely the more affordable option, with over half of the food budget going towards groceries. Conversely, in developed markets, over half of the food budget is spent on eating out and takeout, likely due to its convenience.

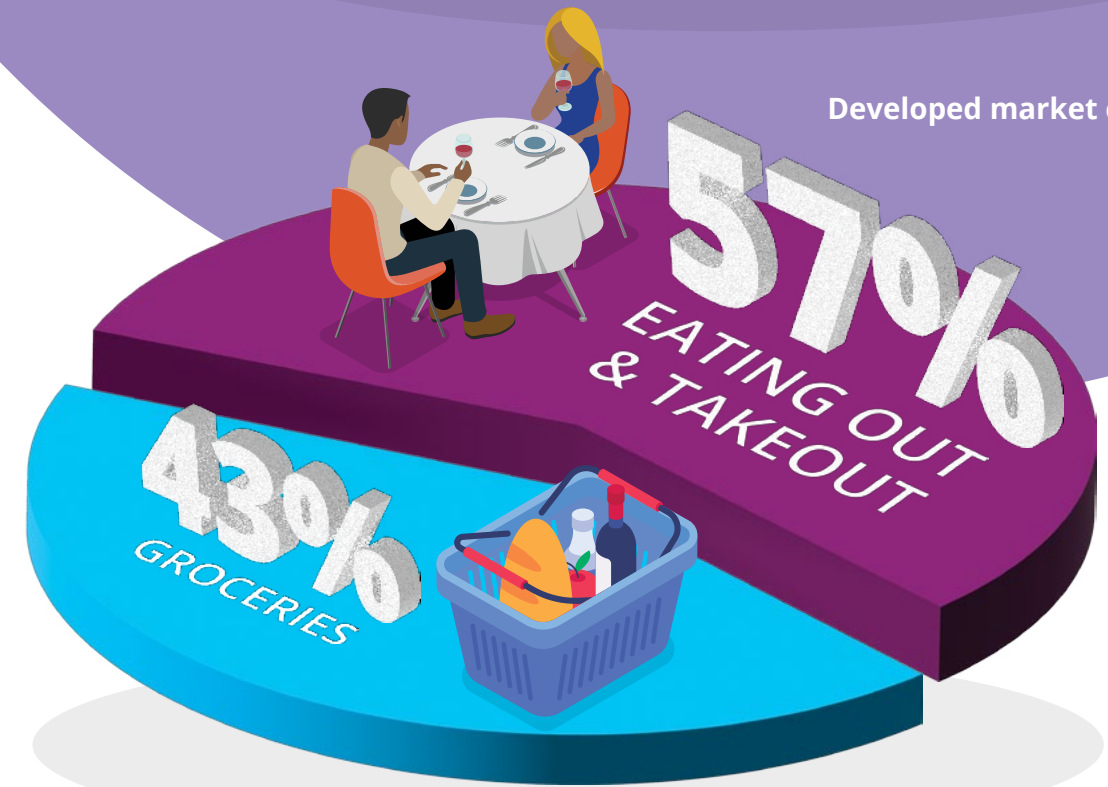


## Share of food spend on groceries vs eating out and takeout (2023)

Emerging market cities



Developed market cities



Source: VisaNet data sample 2023.

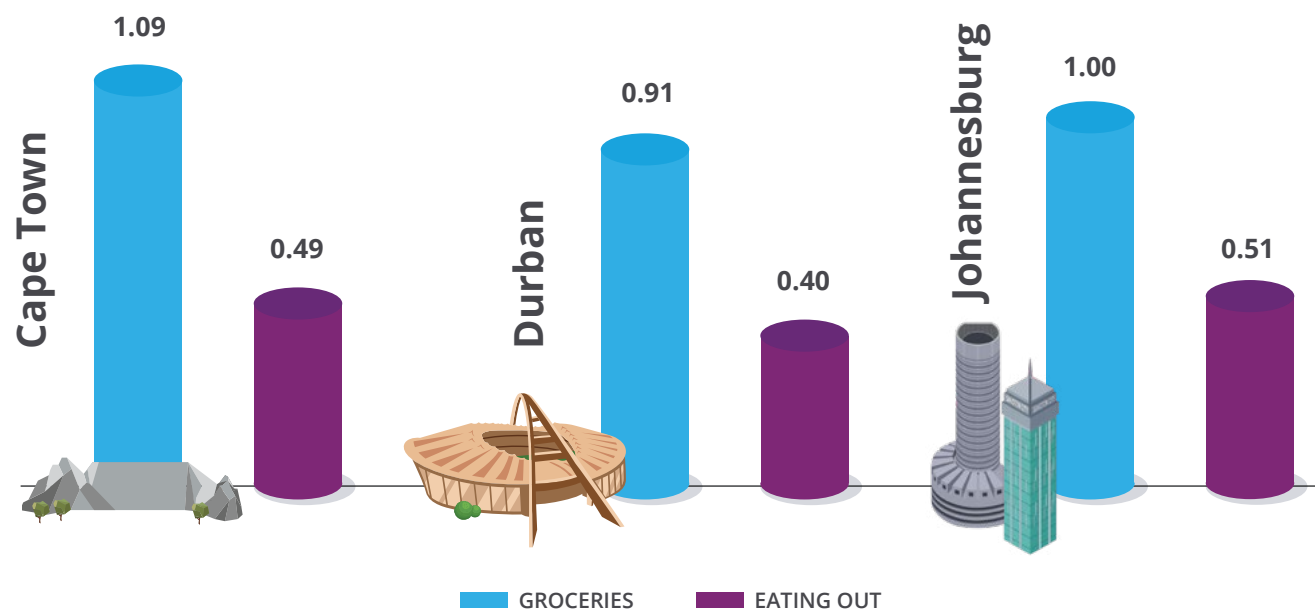
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### Where do the real South African foodies live?

Although Cape Town spends the most on groceries, Johannesburg spends the most on eating out – but Cape Town comes in a close second!

SA average food spend per active card 2023 (indexed to Johannesburg groceries)



Source: VisaNet data sample 2023.

## Deep Dive

### A breakdown of the grocery-grab

#### The eating inclinations of Discovery Bank clients

Online grocery spending is now spread more evenly across the week as consumers embrace same-day delivery services to buy groceries when they need them.

#### FAVOURITE

online merchants



#### FAVOURITE

in-person merchants

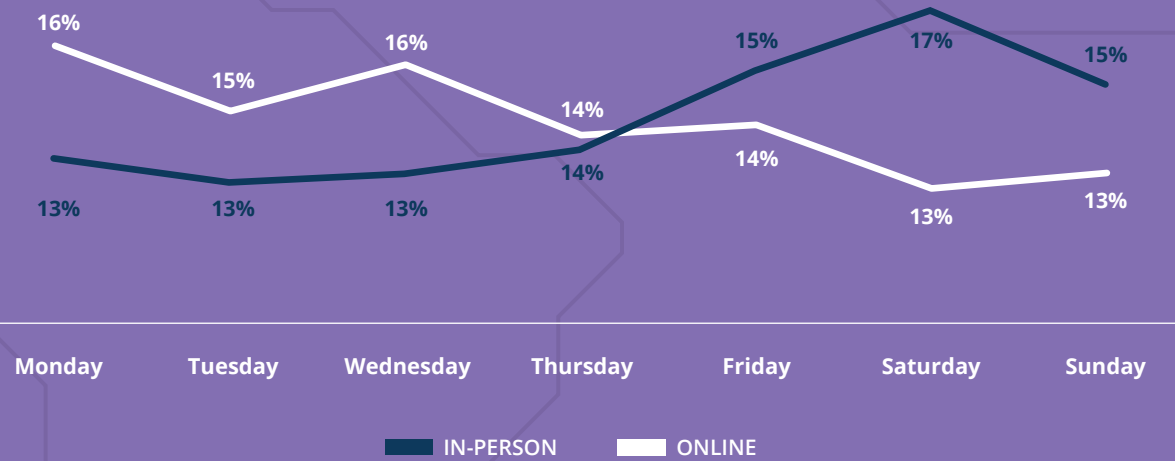


#### FAVOURITE

day to buy groceries



Discovery Bank weekly distribution of total grocery transactions by day (2023)





Source: Exclusively Discovery Bank.





Crowd favourites for eating out and takeout

**FAVOURITE**  
online merchants


**FAVOURITE**  
in-person merchants

**FAVOURITE**  
day to eat-out or buy takeout

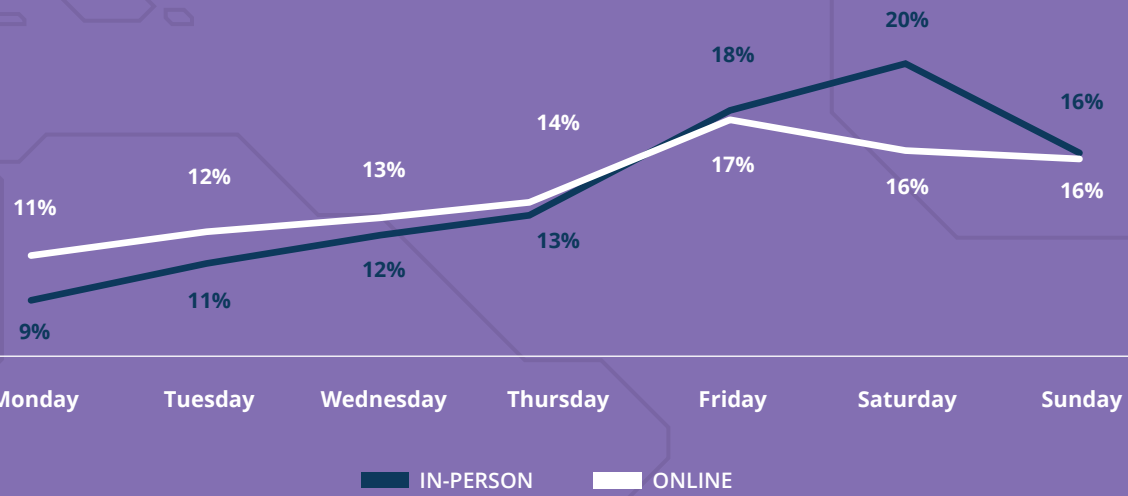


**Friday (online)**



**Saturday (in-person)**

Discovery Bank weekly distribution of total eating out and takeout transactions by day (2023)

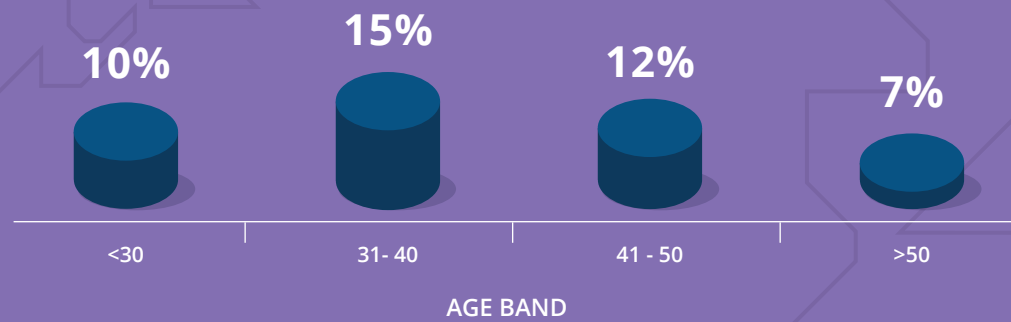


Source: Exclusively Discovery Bank.

Online grocery shopping has become increasingly popular, with between 7% and 15% of grocery spending now happening online. The highest use is among those aged 31 to 40 years old.

Interestingly, clients are spending more per purchase when buying groceries online, with an average of 29% more spent per transaction compared to in-store grocery purchases.

Discovery Bank online grocery spend as a percentage of total grocery spend (2023)



Source: Exclusively Discovery Bank.

Engaged Discovery Bank clients take their healthy groceries seriously

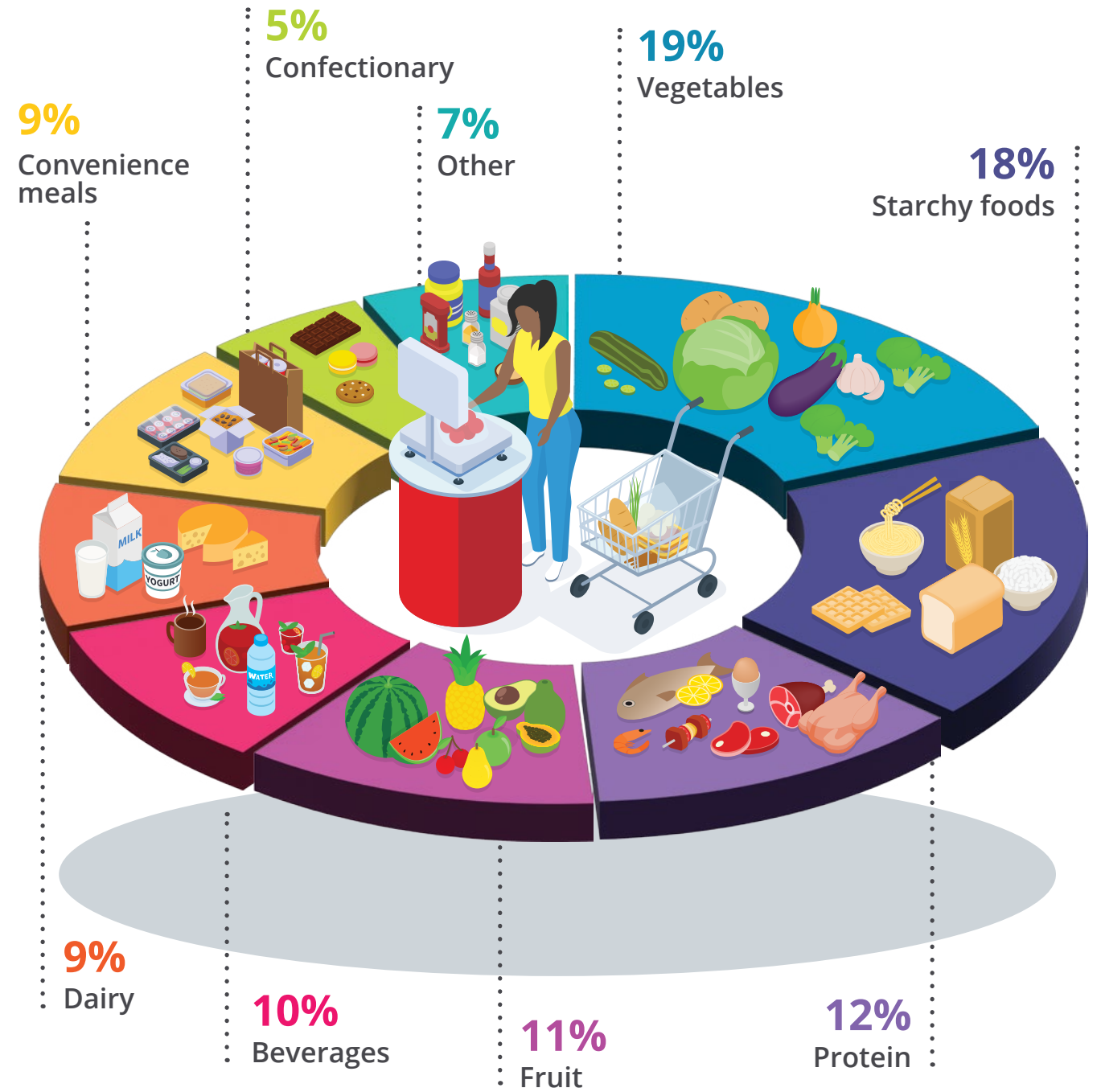
**January is the healthiest month** as members start off their New Years' resolutions with over a third of their baskets consisting of fruit and vegetables.



**Improved physical and financial health both correlate with healthier grocery baskets.** Double Diamond members (with both Diamond Vitality Money and Health statuses) have 1.7 times the share of healthy food purchases in their baskets compared to double Blue members.

Source: Exclusively Discovery Bank and Vitality data, based on approved SKU level data sharing through HealthyFood partners.

Composition of grocery spend for Discovery Bank clients by quantity of items bought (2023)



Source: Exclusively Discovery Bank and Vitality data, based on approved SKU level data sharing through HealthyFood partners.

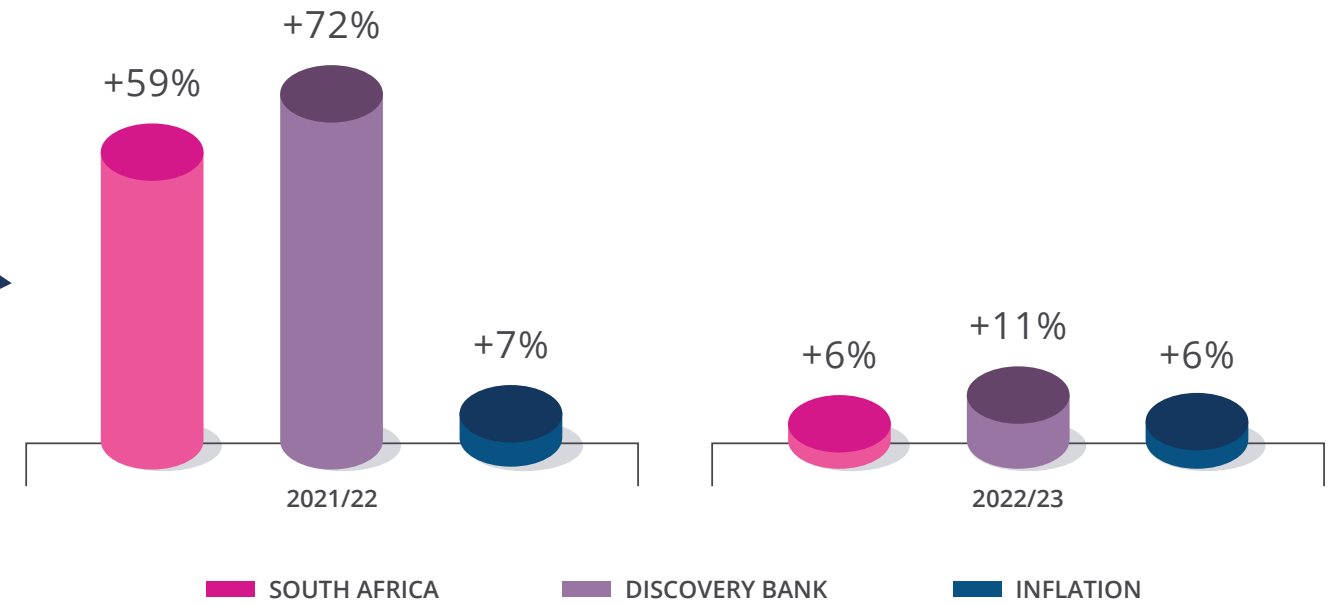
# Travel

Travel utilisation is returning to normal – but is costing more, for everyone

After a surge in 'revenge-travel' following the pandemic, South Africans' travel habits have settled. However, the cost of travel is now higher than before.



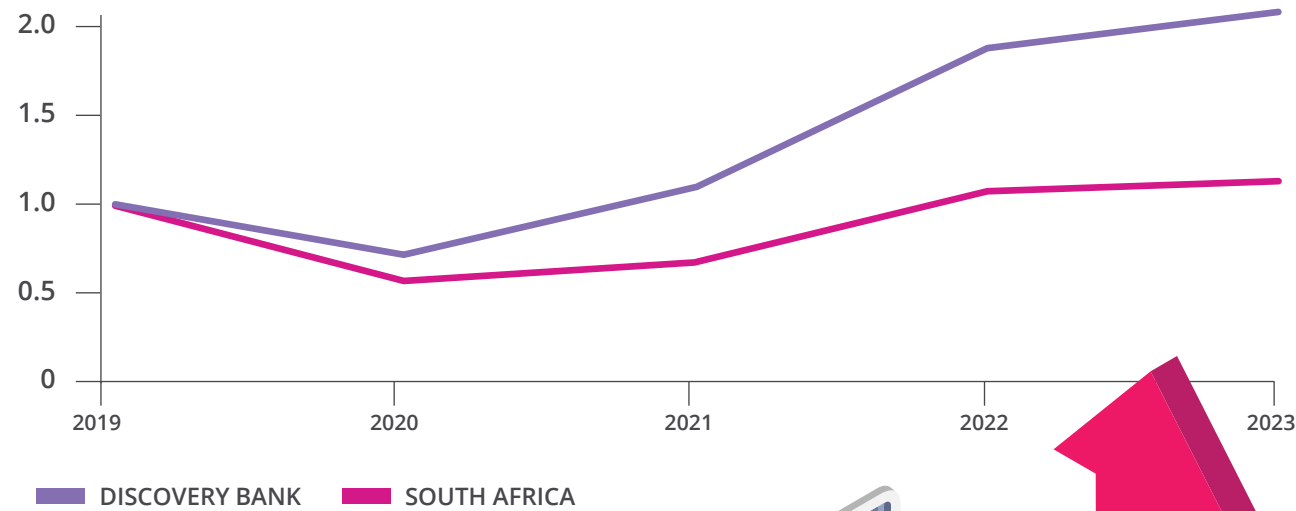
South Africa growth in travel spend vs inflation



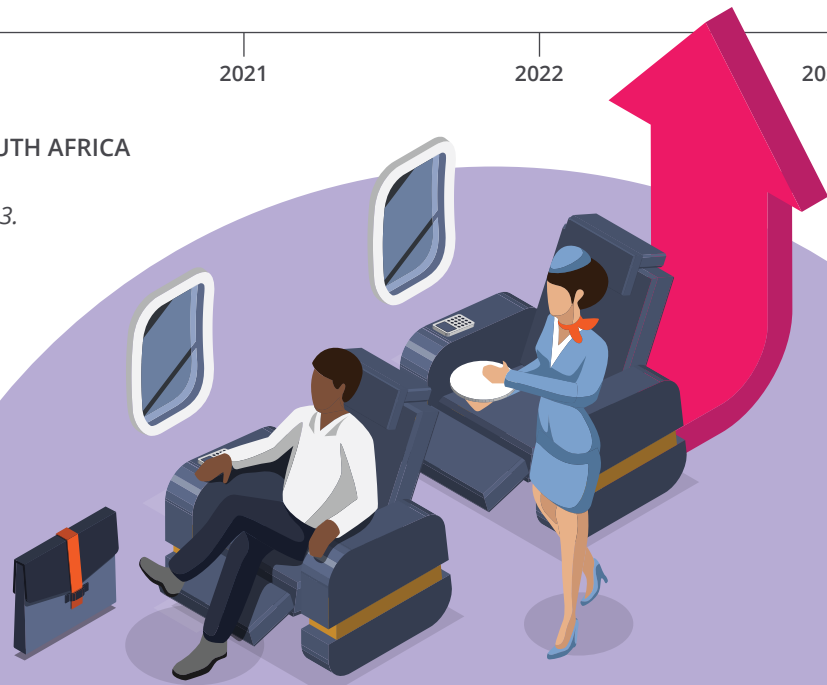
Source: VisaNet data sample 2021-2023.

In South Africa, spending on travel decreased for the mass and mass affluent segments compared to the previous year, but it increased for those in the everyday affluent and high net worth segments.

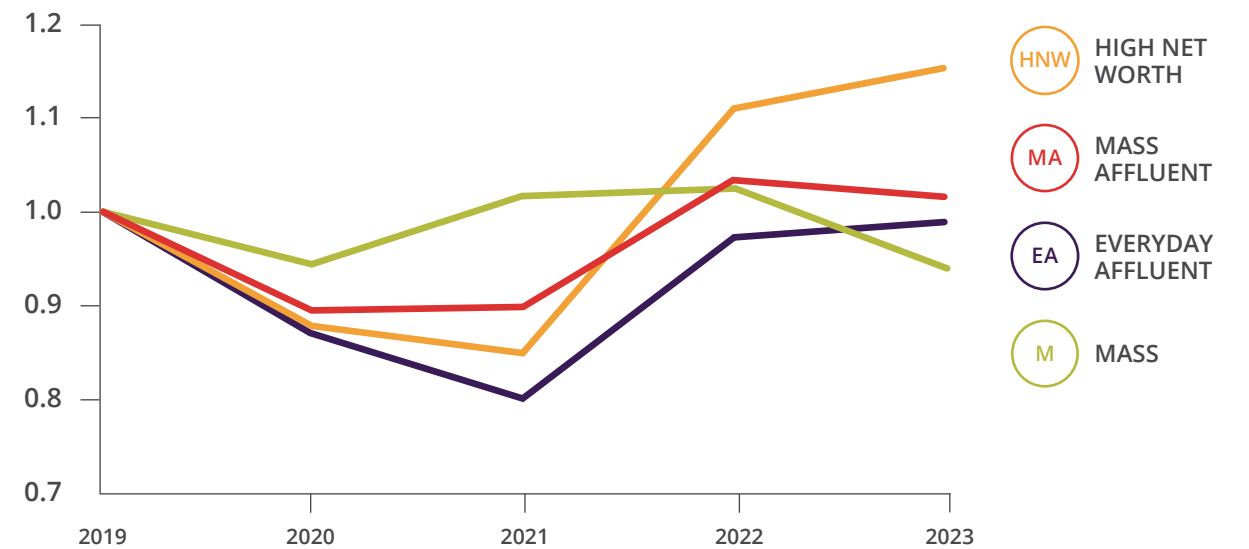
South Africa average travel spend per active card (indexed to 2019)



Source: VisaNet data sample 2019-2023.



South African average travel spend per active card (indexed to 2019)



Source: VisaNet data sample 2019-2023.



Discovery Bank clients travelled more frequently and spent more on travel compared to the average South African. This is likely due to Discovery Bank offering a variety of discounted travel rewards, making travel easier and more affordable for its clients.



**Discovery Bank clients spent 26% more on travel than the average South African.**



**Discovery Bank clients made 23% more travel transactions than the South African market average.**

**Globally, the surge in “revenge travel” has calmed**, with the average number of travel transactions per active card staying the same or dropping from the previous year in most markets. Nonetheless, overall travel spending is increasing due to rising costs, especially in emerging markets.

		Travel spend per active card growth 2022/23	Travel transactions per active card growth 2022/23
<b>South Africa</b>	Cape Town	+6%	-2%
	Durban	+4%	-2%
	Johannesburg	+3%	-2%
<b>Emerging</b>	Accra	> +10%	-1%
	Ho Chi Minh	> +10%	-3%
	Lagos	> +10%	+9%
	Rio de Janeiro	> +10%	+2%
	Sao Paulo	> +10%	+2%
<b>Developed</b>	Barcelona	+3%	0%
	Lisbon	+4%	0%
	London	+1%	0%
	Los Angeles	-4%	+1%
	San Francisco	< -10%	0%
	Sydney	+7%	-2%

Source: VisaNet data sample 2022-2023.

**Cost matters when it comes to travel**

A Vitality Travel survey found that:

- South Africans prioritise the cost of travel above all other factors when deciding whether to travel locally or internationally.
- Over a third of South Africans who wish to travel internationally, but don't plan to in the next year, cite cost as the main obstacle.
- Most South Africans, especially younger families, value the ability to use rewards or discounts to lower travel expenses. Travel executives agree that reward programmes are crucial in making travel more accessible.
- Similar to global trends, South Africans are increasingly engaging in “bleisure” travel, combining business trips with leisure activities by extending their stays and taking advantage of remote work opportunities.



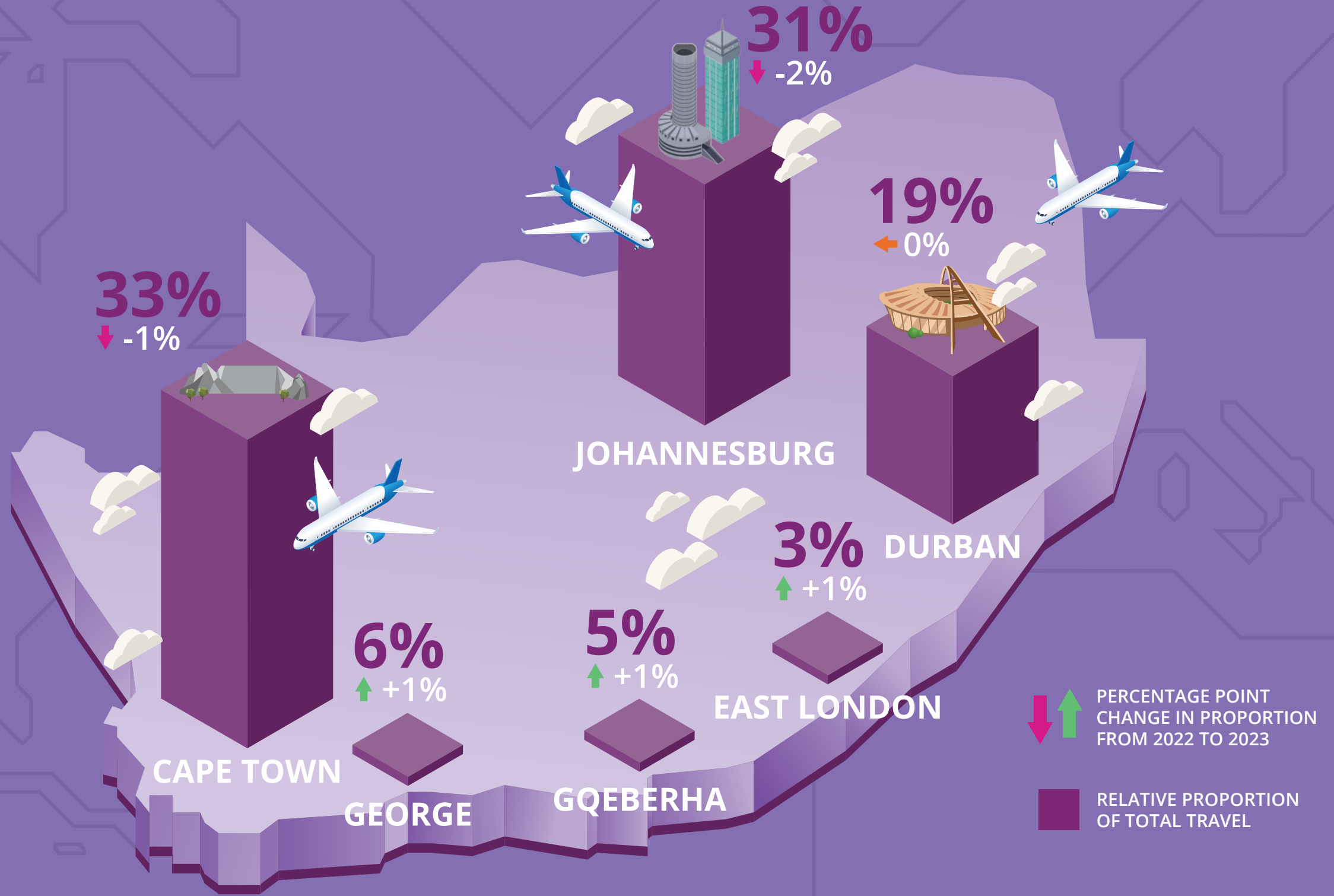


### Distribution of local flight destinations among Vitality Travel members in 2023

#### The travel tendencies of Discovery Bank clients

##### Locally, cityscapes and semigration:

Unsurprisingly, domestic travel centres along South Africa's 'Golden Triangle,' with Cape Town being the top destination, followed by Johannesburg, and then Durban. The trend of people moving from inland areas to cities along the Garden Route has also led to increased travel to East London, George, and Gqeberha.

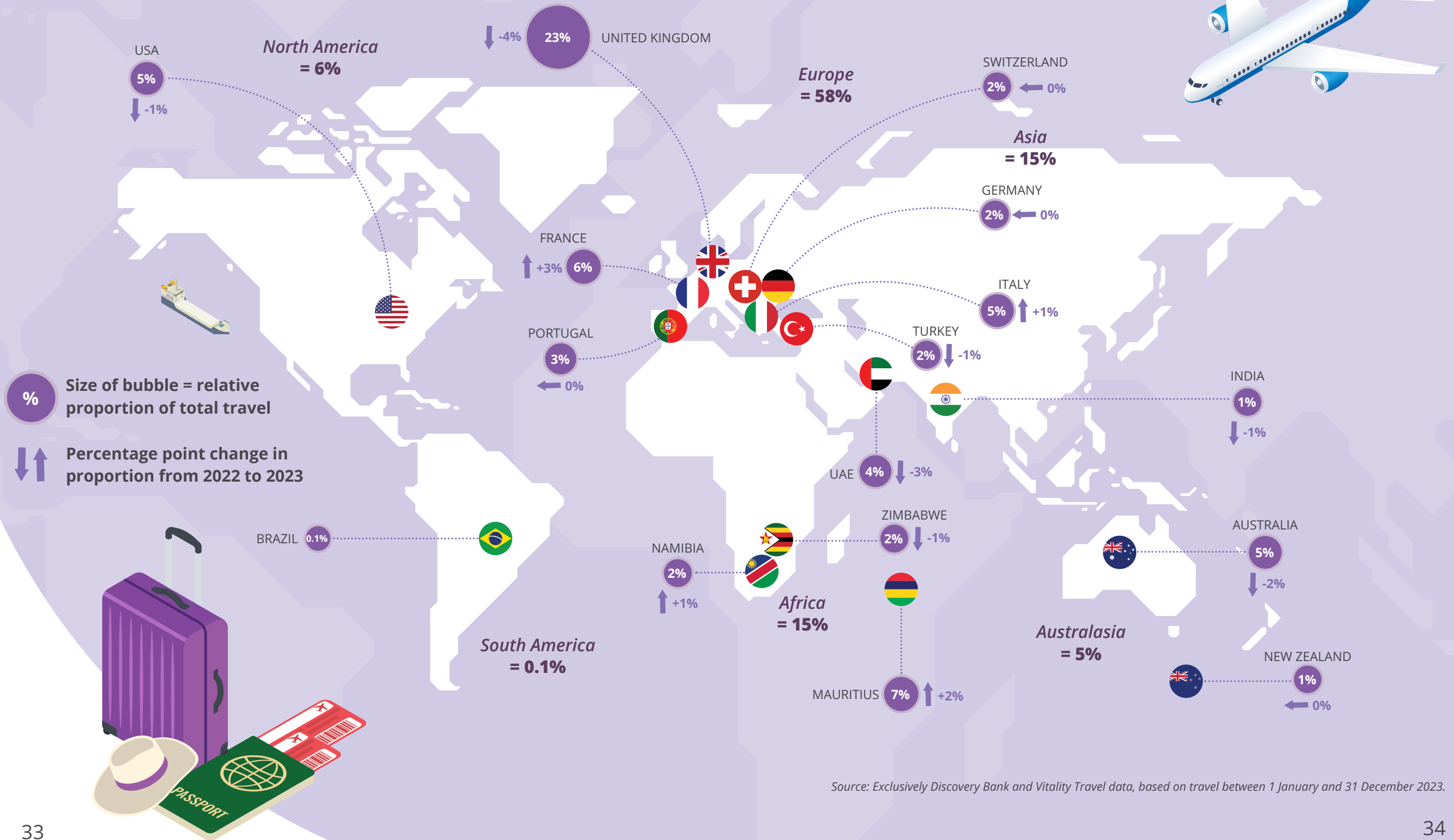


Source: Exclusively Discovery Bank and Vitality Travel data, based on travel between 1 January and 31 December 2023.

**Globally, beaches and rugby balls:**

Favourite international destinations among Discovery Bank clients were the United Kingdom, Mauritius, Australia, the United States and Italy. The two biggest increases in the last year was popularity in travel to Mauritius, where there's been an increase in supply, and travel to France, for the Rugby World Cup.

**Distribution of international flight destinations among Vitality Travel members in 2023**



Source: Exclusively Discovery Bank and Vitality Travel data, based on travel between 1 January and 31 December 2023.



Flight prices on popular local routes have steadied and even decreased since 2022, after a notable increase since 2019. However, there have been price hikes on many international routes in 2023 due to rising demand.



Domestic one way flights

Average flight cost over travel period before discounts

		2022	2023	% change
JOHANNESBURG	↔ CAPE TOWN	R1.720	R1.700	-1%
JOHANNESBURG	↔ DURBAN	R1.090	R1.040	-5%
CAPE TOWN	↔ DURBAN	R1.770	R1.810	+2%
CAPE TOWN	↔ GEORGE	R1.780	R1.720	-3%
GEORGE	↔ JOHANNESBURG	R1.580	R1.760	+11%

International return flights

Average flight cost over travel period before discounts

		2022	2023	% change
SOUTH AFRICA	↔ UK	R16.340	R20.510	+26%
SOUTH AFRICA	↔ MAURITIUS	R6.390	R10.840	+70%
SOUTH AFRICA	↔ UAE	R13.980	R16.660	+19%
SOUTH AFRICA	↔ AUSTRALIA	R26.200	R32.190	+23%

Source: Exclusively Discovery Bank and Vitality Travel data, based on travel between 1 January 2022 and 31 December 2023. Domestic one way flight prices applicable in either direction of travel. International return flight prices applicable starting and ending in South Africa only.

## PICK THE RIGHT DAY TO FLY

On main routes, prices are mainly affected by demand, which means travellers often pay much more to travel on popular days. Here are the cheapest and most expensive days to fly during the week on average for the most popular routes.



**JOHANNESBURG TO CAPE TOWN**

CHEAPEST DAY	MOST EXPENSIVE	AVERAGE DIFFERENCE
<b>TUESDAY</b>	<b>FRIDAY</b>	<b>+32%</b>

**CAPE TOWN TO JOHANNESBURG**

CHEAPEST DAY	MOST EXPENSIVE	AVERAGE DIFFERENCE
<b>SATURDAY</b>	<b>SUNDAY</b>	<b>+32%</b>

**CAPE TOWN TO DURBAN**

CHEAPEST DAY	MOST EXPENSIVE	AVERAGE DIFFERENCE
<b>WEDNESDAY</b>	<b>SUNDAY</b>	<b>+20%</b>

**DURBAN TO CAPE TOWN**

CHEAPEST DAY	MOST EXPENSIVE	AVERAGE DIFFERENCE
<b>TUESDAY</b>	<b>FRIDAY</b>	<b>+18%</b>

**JOHANNESBURG TO GEORGE**

CHEAPEST DAY	MOST EXPENSIVE	AVERAGE DIFFERENCE
<b>MONDAY</b>	<b>FRIDAY</b>	<b>+28%</b>

**GEORGE TO JOHANNESBURG**

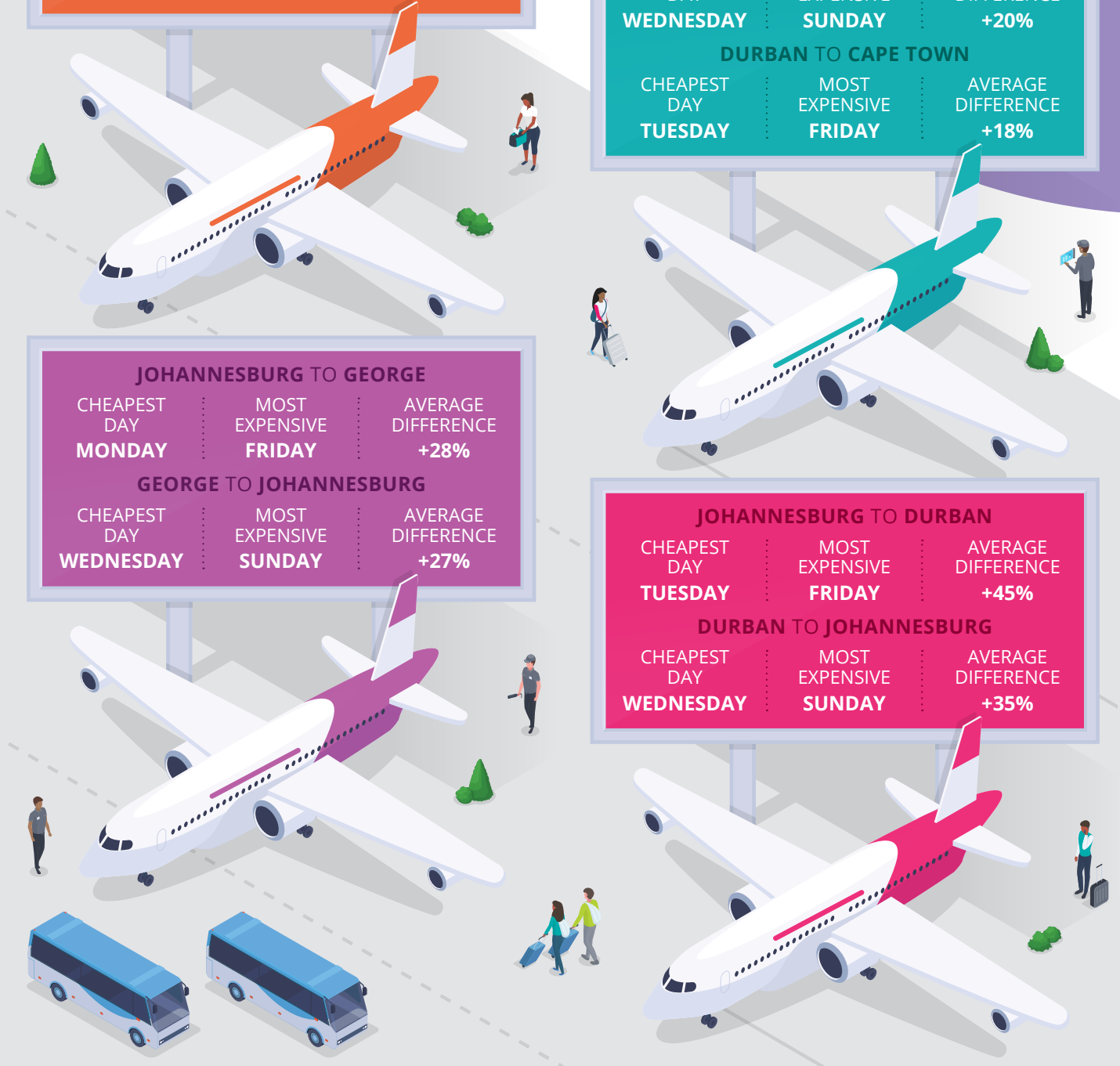
CHEAPEST DAY	MOST EXPENSIVE	AVERAGE DIFFERENCE
<b>WEDNESDAY</b>	<b>SUNDAY</b>	<b>+27%</b>

**JOHANNESBURG TO DURBAN**

CHEAPEST DAY	MOST EXPENSIVE	AVERAGE DIFFERENCE
<b>TUESDAY</b>	<b>FRIDAY</b>	<b>+45%</b>

**DURBAN TO JOHANNESBURG**

CHEAPEST DAY	MOST EXPENSIVE	AVERAGE DIFFERENCE
<b>WEDNESDAY</b>	<b>SUNDAY</b>	<b>+35%</b>



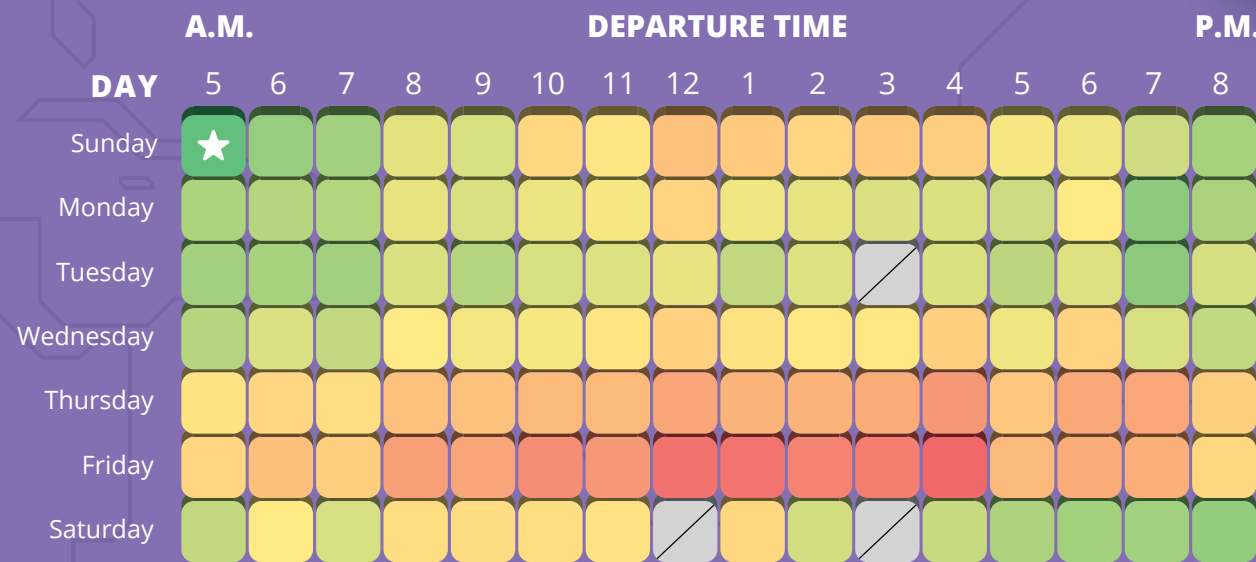
Source: Exclusively Discovery Bank and Vitality Travel data, based on travel between 1 January and 31 December 2023.

## PICK THE RIGHT TIME TO FLY

### Johannesburg to Cape Town

**CHEAPEST TIME TO FLY:**  
SUNDAY, 05:00  
**MOST EXPENSIVE TIME TO FLY:**  
FRIDAY, 16:00

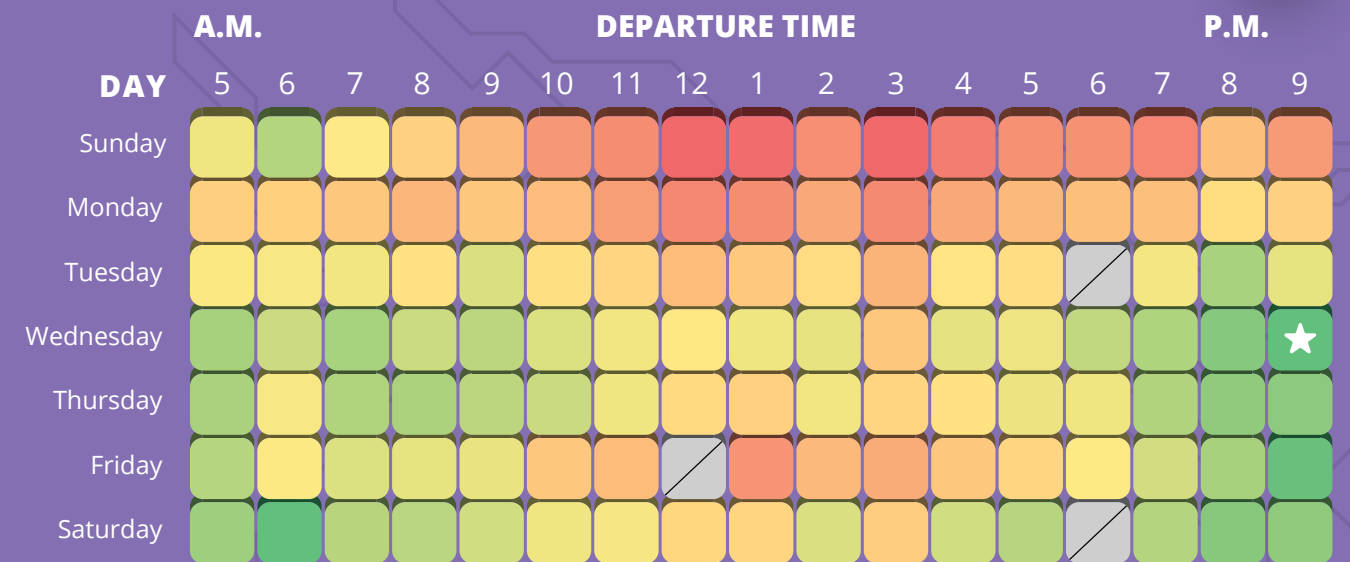
To secure the most affordable flights on the two most popular local routes, consumers need to watch the average prices throughout the day, as they vary significantly based on demand.



## PICK THE RIGHT TIME TO FLY

### Cape Town to Johannesburg

**CHEAPEST TIME TO FLY:**  
WEDNESDAY, 21:00  
**MOST EXPENSIVE TIME TO FLY:**  
SUNDAY, 12:00

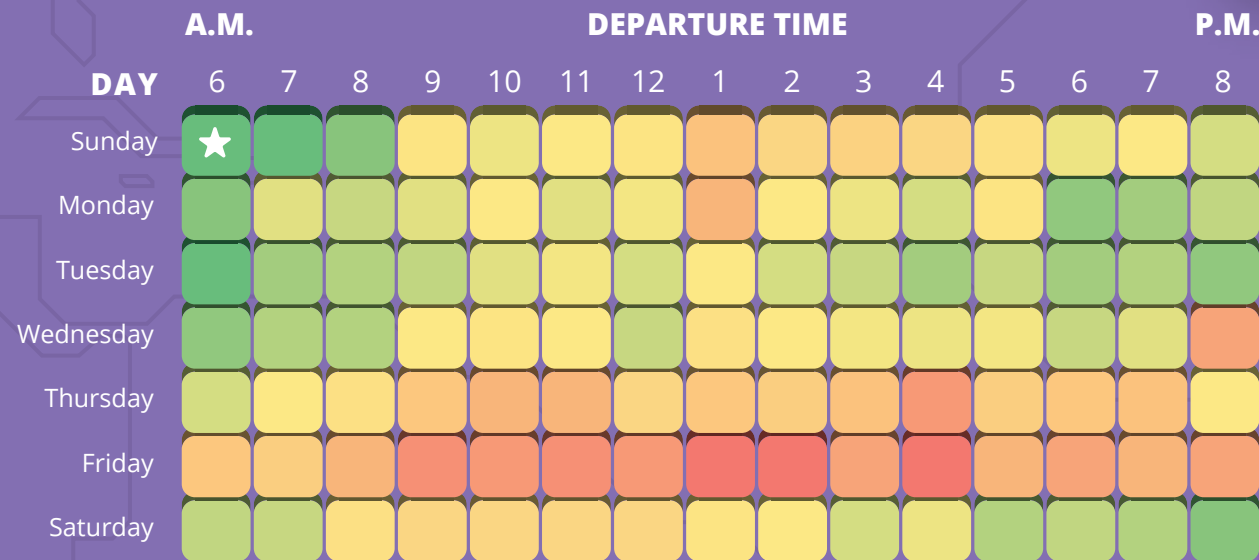


Cheapest ★  
Most affordable Most expensive  
Source: Exclusively Discovery Bank and Vitality Travel data, based on travel between 1 January and 31 December 2023.

## PICK THE RIGHT TIME TO FLY

### Johannesburg to Durban

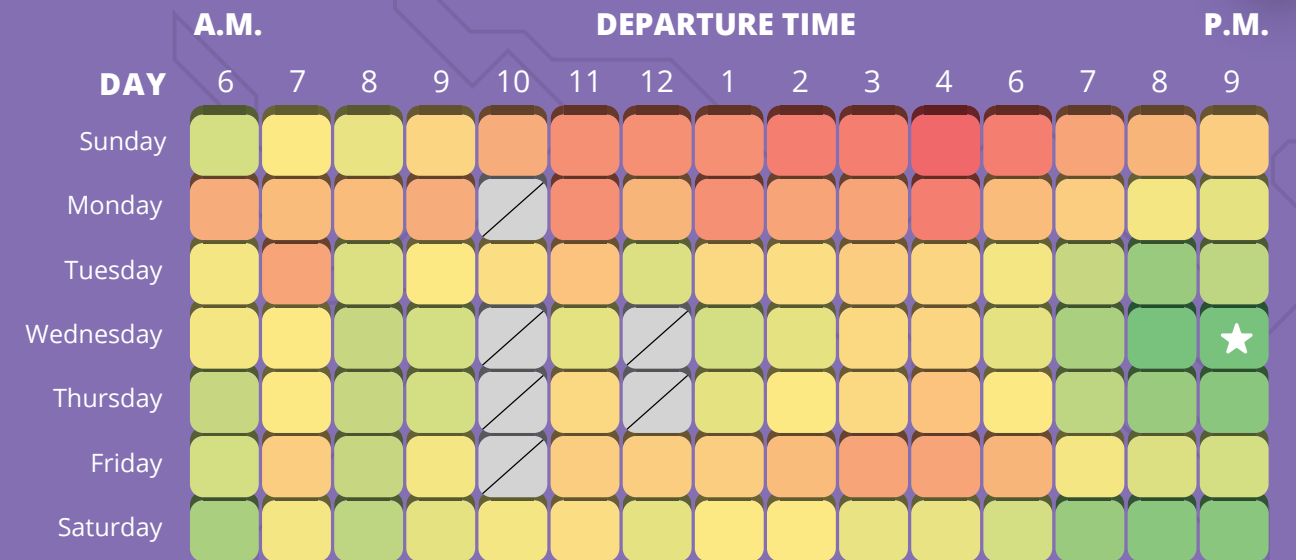
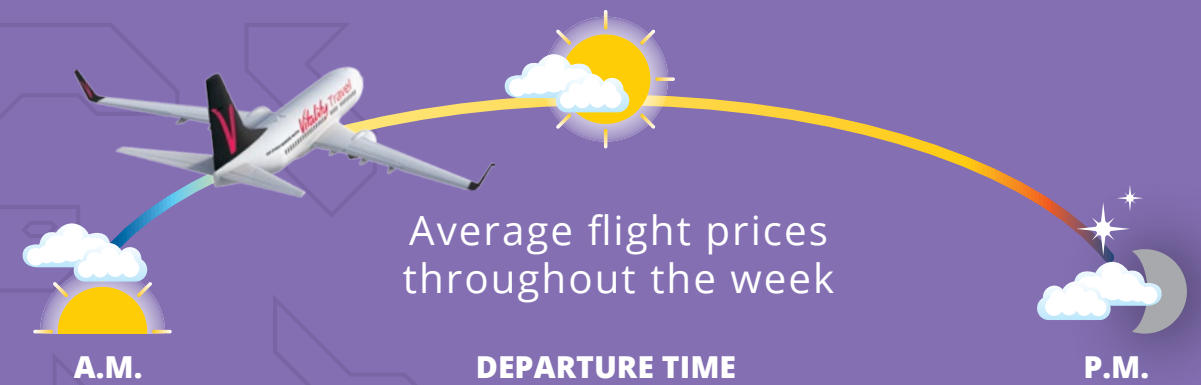
**CHEAPEST TIME TO FLY:**  
SUNDAY, 06:00  
**MOST EXPENSIVE TIME TO FLY:**  
FRIDAY, 13:00



## PICK THE RIGHT TIME TO FLY

### Durban to Johannesburg

**CHEAPEST TIME TO FLY:**  
WEDNESDAY, 21:00  
**MOST EXPENSIVE TIME TO FLY:**  
SUNDAY, 16:00



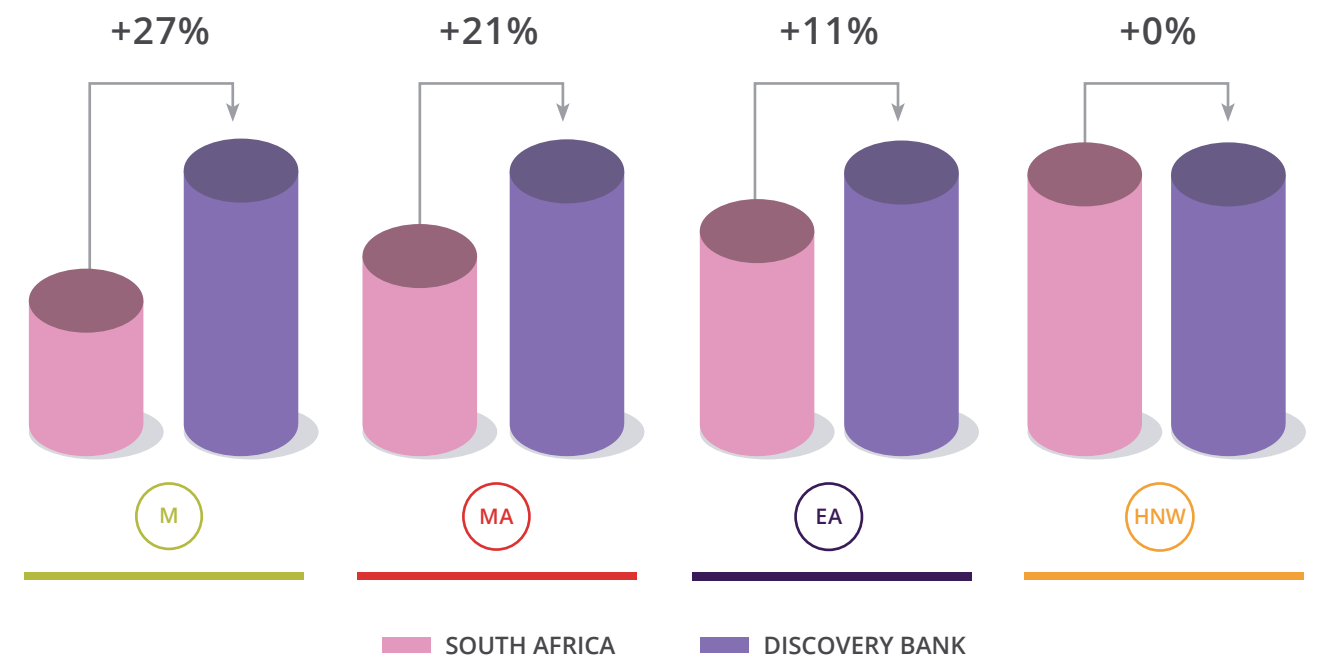
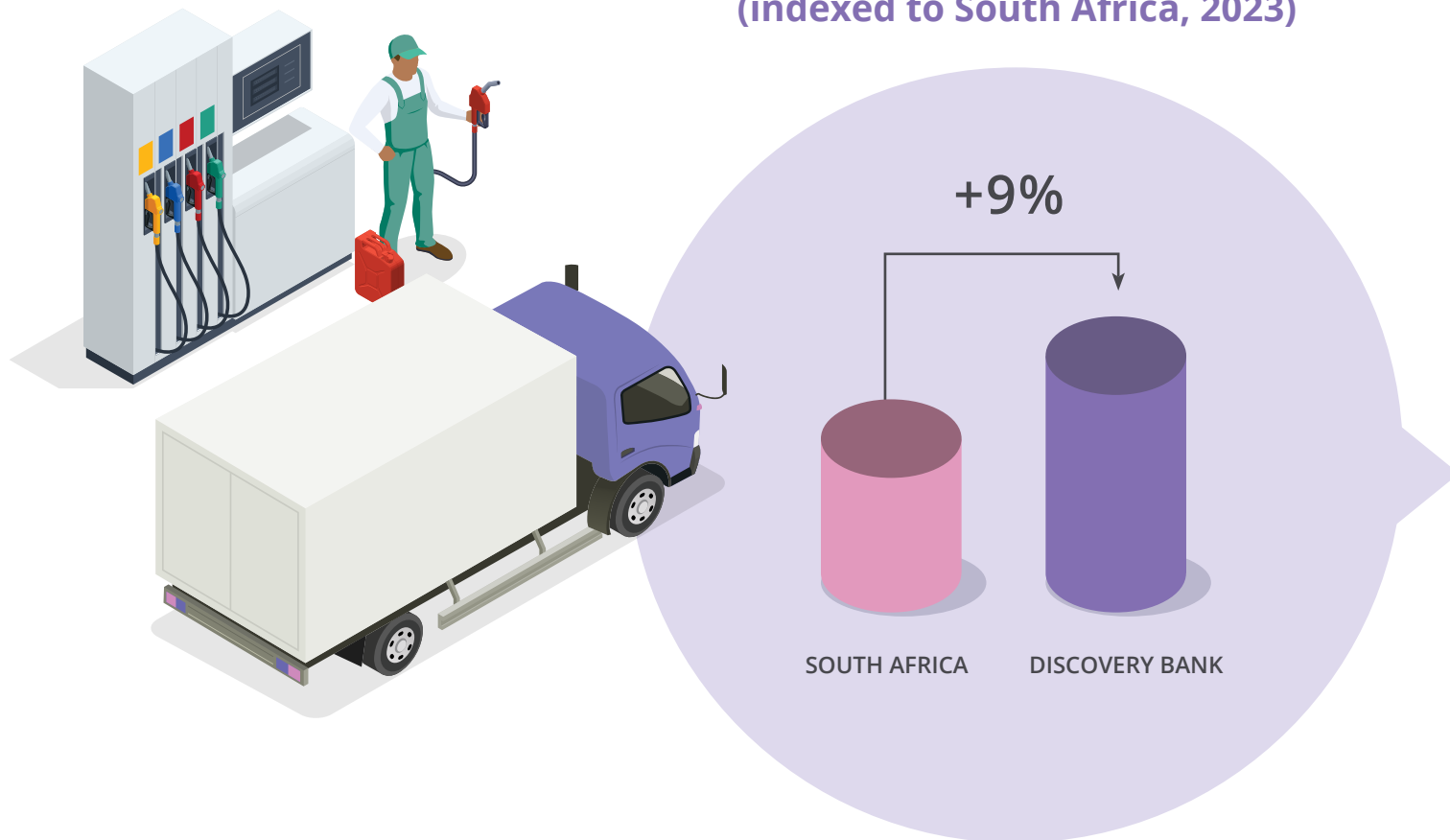
Cheapest ★  
Most affordable Most expensive  
Source: Exclusively Discovery Bank and Vitality Travel data, based on travel between 1 January and 31 December 2023



## Fuel, commuting and other spend

South African fuel prices were 1.5% higher in 2023 compared to 2022. On average, Discovery Bank clients spent more refuelling their tanks than other South Africans. This may be in part due to the effective reduction of fuel costs by up to 20% with Vitality Money, and the extra up to 50% savings for Vitality Drive members.

### South Africa fuel spend per active card (indexed to South Africa, 2023)



Source: VisaNet data sample 2023.



On average in 2023, a typical Discovery Insure client:

TOOK  
**~117 TRIPS**  
A MONTH

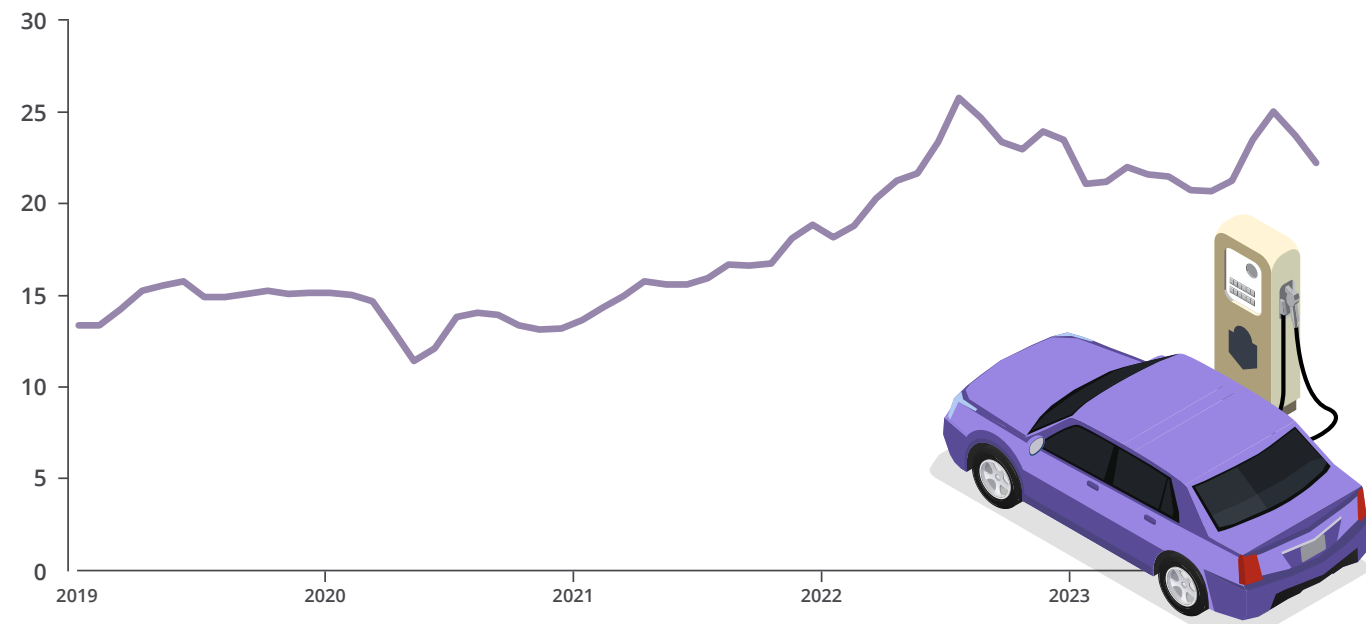
DROVE  
**~1,690 KM**  
A MONTH

SPENT  
**~36 HOURS**  
IN THEIR CAR  
EACH MONTH

Discovery Insure data reveals that clients are traveling more post-pandemic. In 2023, they drove more compared to 2022, but with a twist: despite making 10% fewer trips, they're covering 40% more distance on average each month.

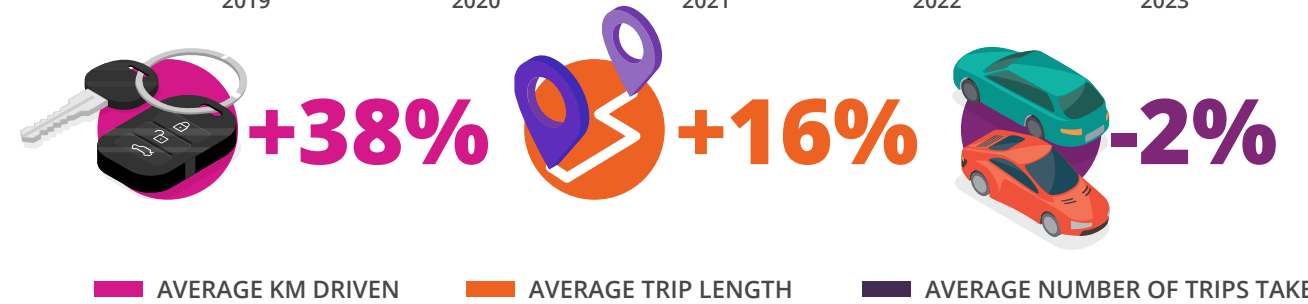
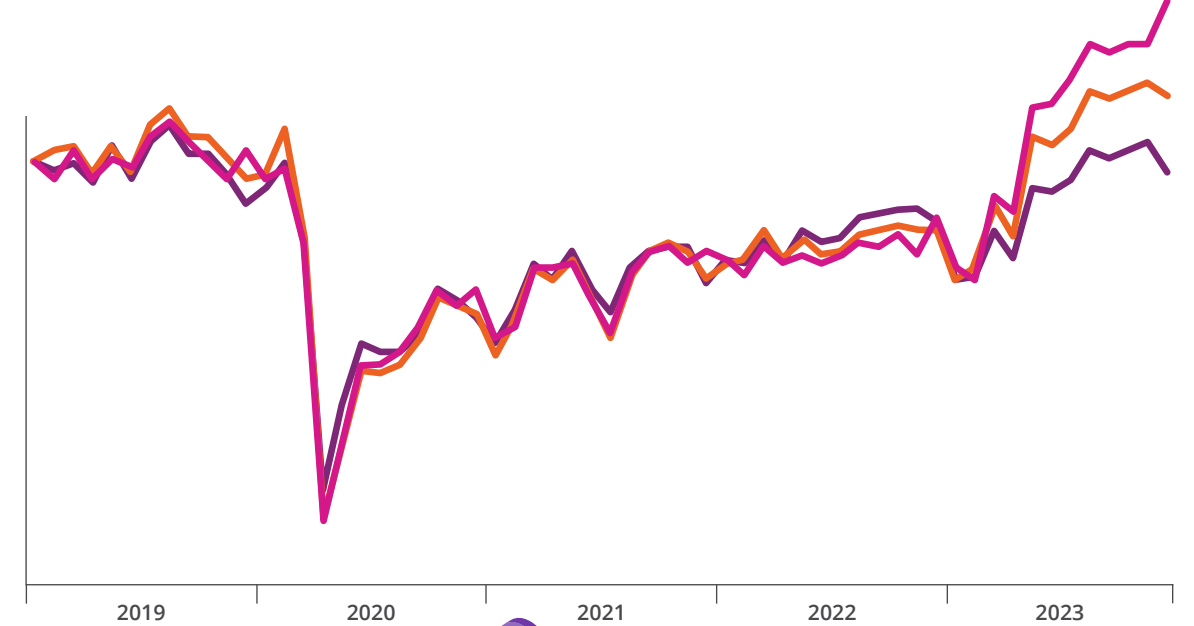
This trend could be attributed to lifestyle changes due to increased return to office movement last year in South Africa. Vitality Drive reports that over 75% of clients who work from offices are now commuting at least three days a week.

South African fuel price (rand/litre)

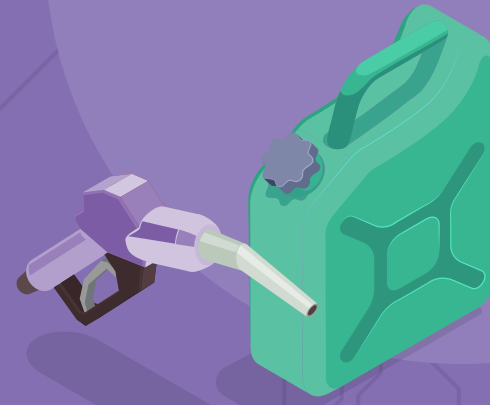


Source: South African Petroleum Industry Association.

Average number of trips, average kilometers driven per active client and average trip length (2019-2023)

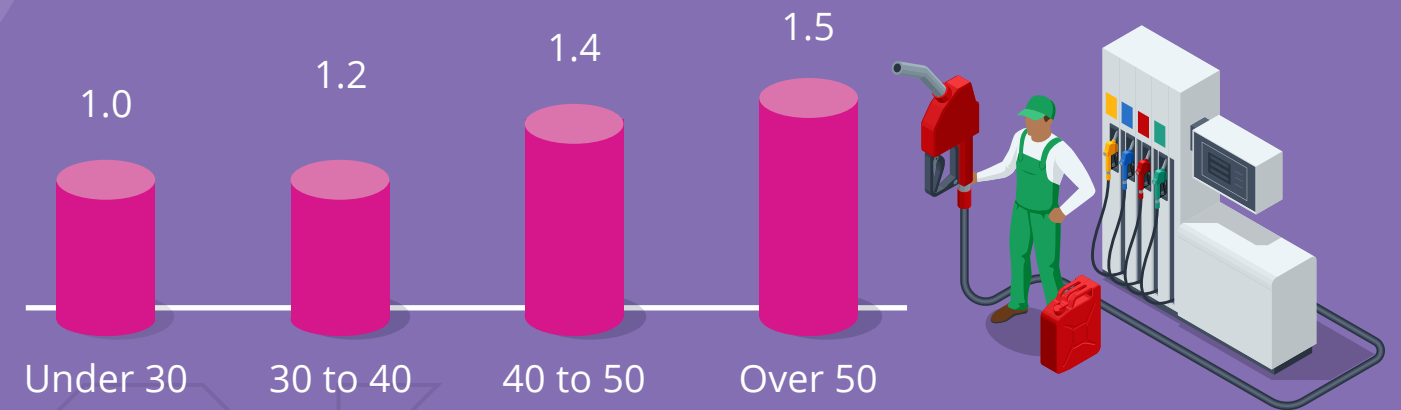


Source: Discovery Insure.



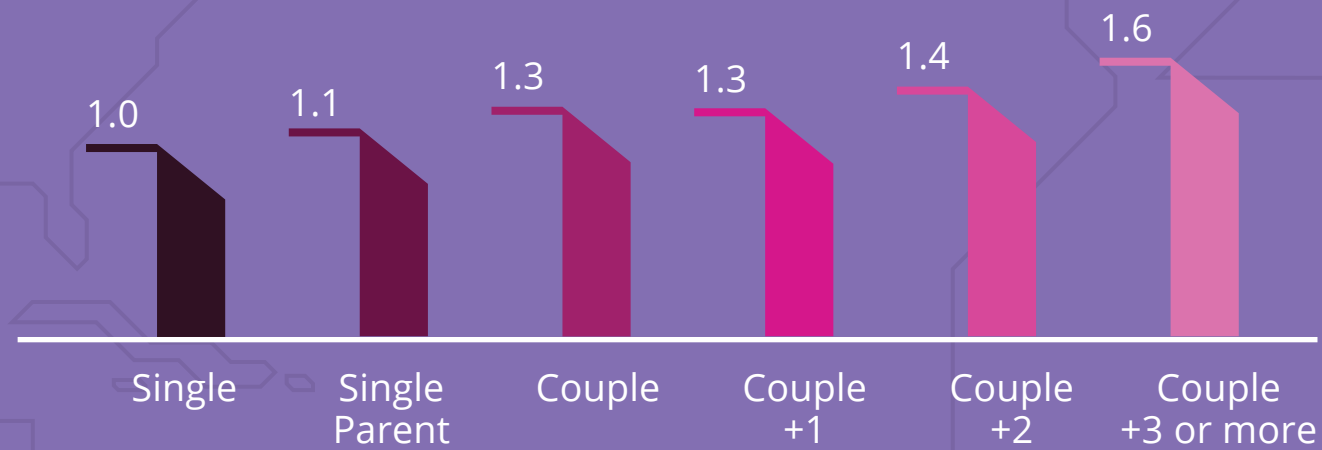
The fuelling forays of Discovery Bank clients

Discovery Bank average spend on fuel by age in years (indexed to under 30, 2023)



Source: Exclusively Discovery Bank.

Discovery Bank average spend on fuel by family structure (indexed to single, 2023)

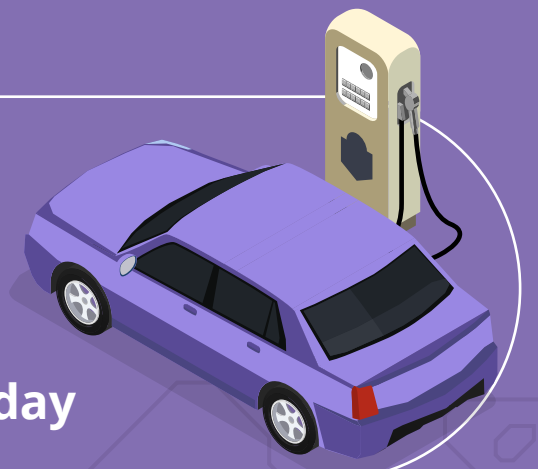


Source: Exclusively Discovery Bank.

FAVOURITE DAY TO REFUEL

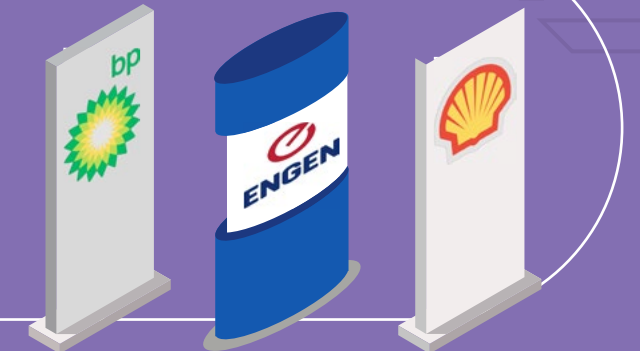


Friday



In 2022, due to more frequent and larger fuel price increases, clients tended to refuel on Tuesdays to ease the impact of price hikes on Wednesdays. However, in 2023, clients were more inclined to refuel based on their consumption needs, often choosing Fridays as the end of the work week and start of the weekend.

FAVOURITE FUEL STATIONS







## How people spend

### Digital wallet use

**South Africans are increasingly using their mobile phones to pay instead of physical wallets, with adoption rates matching or surpassing those of international cities.**

In 2023, the use of digital wallets in South Africa increased by nine percentage points. According to the 4Sight Digital Banking Behaviour Survey, more than 60% of South Africans prefer digital wallets because this technology eliminates the need for carrying a physical wallet,

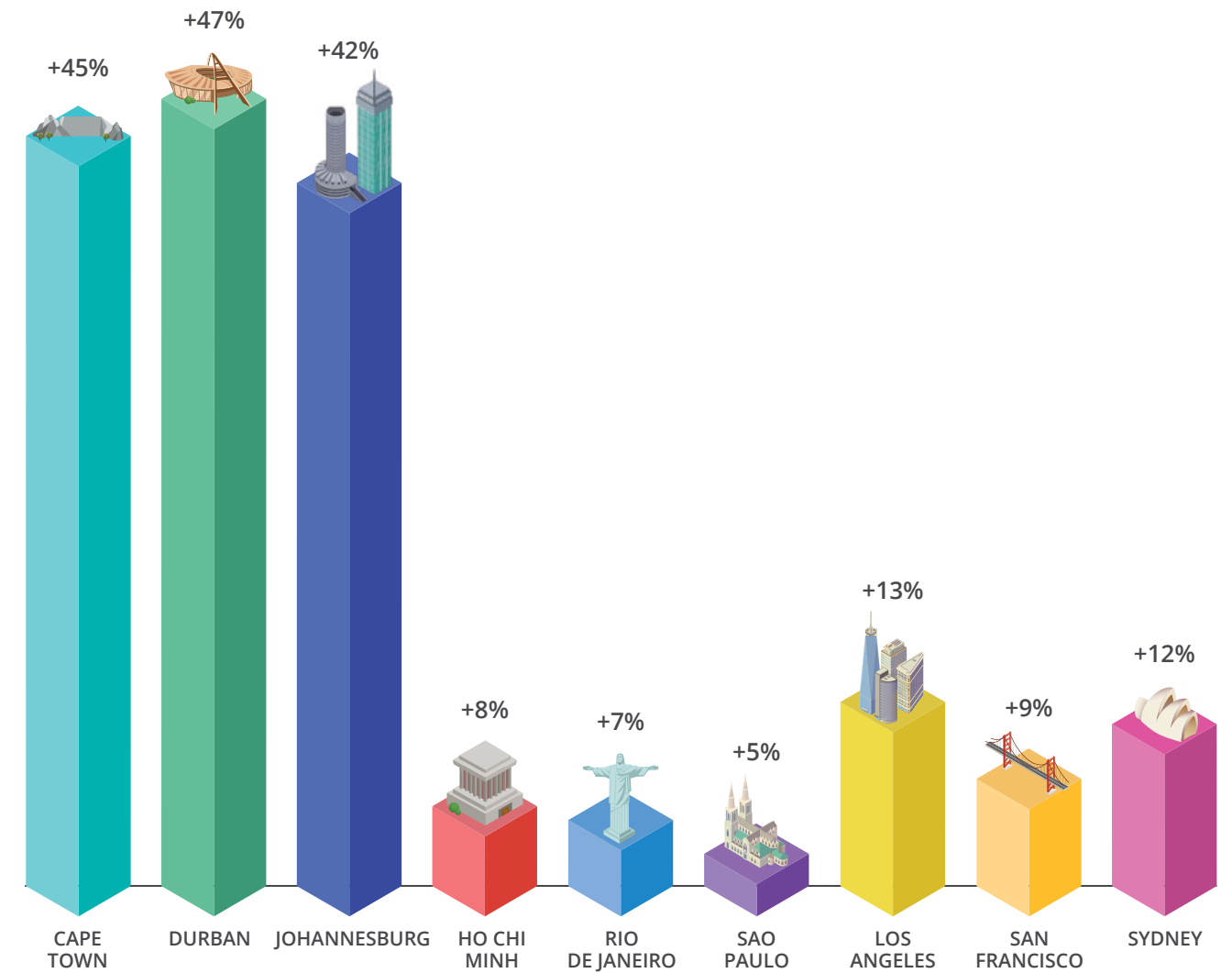
offers easy payment tracking, and provides convenience in shopping and making payments. Digital wallets remove the risk of physical theft or loss linked with carrying a physical wallet, because they safeguard your financial details behind layers of electronic authentication.



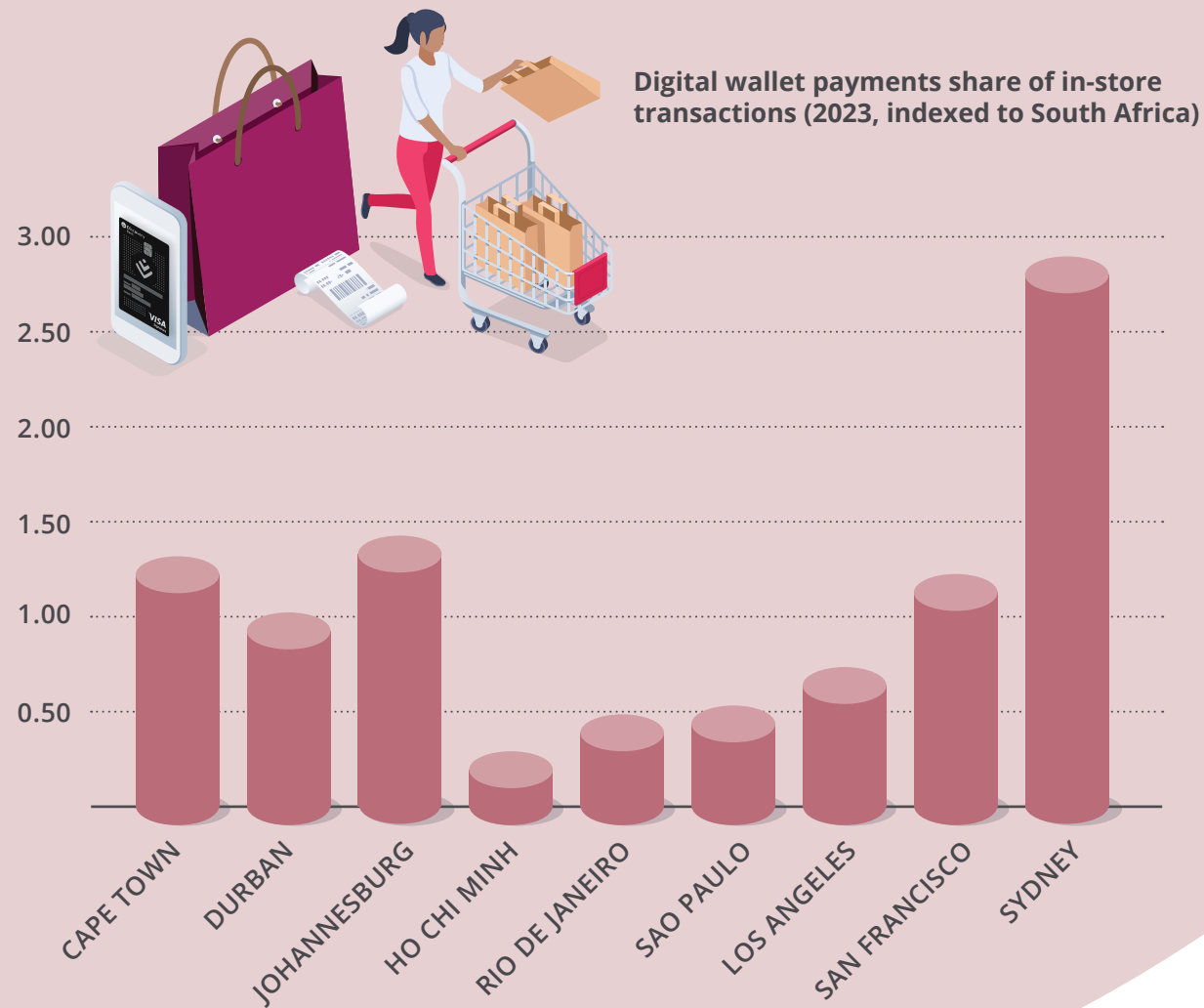
Compared to the national average, Joburg residents use digital wallets for in-store purchases the most (1.75 times more than the typical South African) followed by Cape Town at 1.5 times. Meanwhile, Durban residents have an adoption rate of 1.3 times the typical South African.

South Africa's growth in spending and frequency of using digital wallets for payments outpaced that of all global cities where digital wallet data is available.

**Digital wallet average spend per active card growth (2021-2023)**



Source: VisaNet data sample 2021-2023.



Source: VisaNet data sample 2023.

### Consumers trust mobile wallets

Because mobile wallets use biometrics, encryption and tokenisation to verify each transaction, they're safer for making payments than cash or even physical cards. This gives consumers a high level of confidence in using mobile wallets as a payment method.

Source: Visa Payment Trends 2023 report



Digital wallets let consumers securely store their physical and virtual bank card information on smart devices like:



This allows them to make quick and secure contactless payments without needing to carry physical cards or cash. Popular digital wallet options available through Discovery Bank include:



## Online shopping

### South Africans are embracing phygital shopping experiences

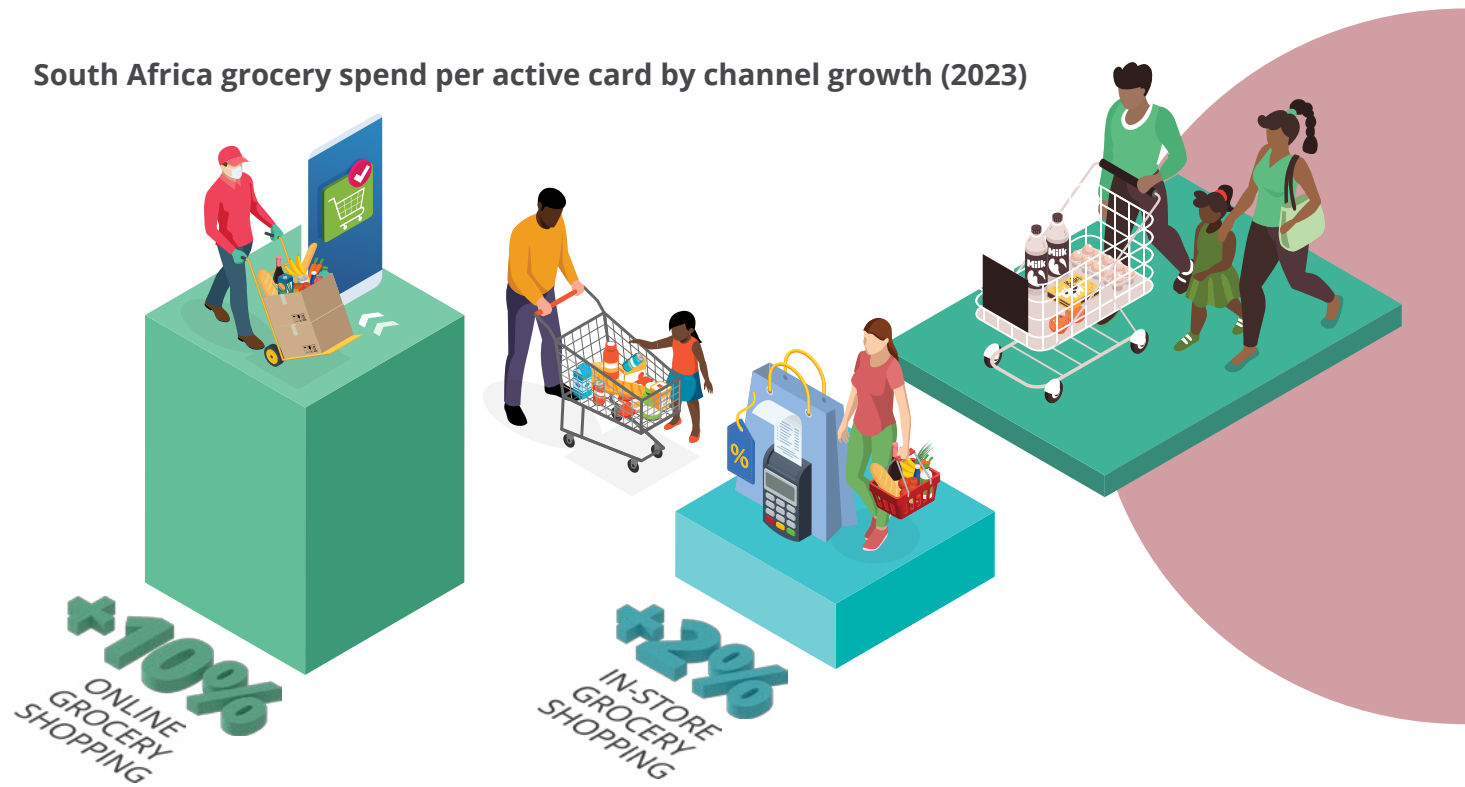
South African spend growth in 2023 for online outpaces in-store by five times. South Africans are increasingly shopping online, surpassing other emerging market cities and keeping pace with developed ones. According to a survey by 4Sight, 82% of South Africans made an online purchase in the past year. Despite this trend, Euromonitor's research indicates that South Africans still value physical shopping experiences,

enjoying visits to shopping malls and browsing in stores, even if they don't intend to buy anything. Many South Africans also compare prices online

regularly, but prefer shopping in-store for the immediacy of purchase.

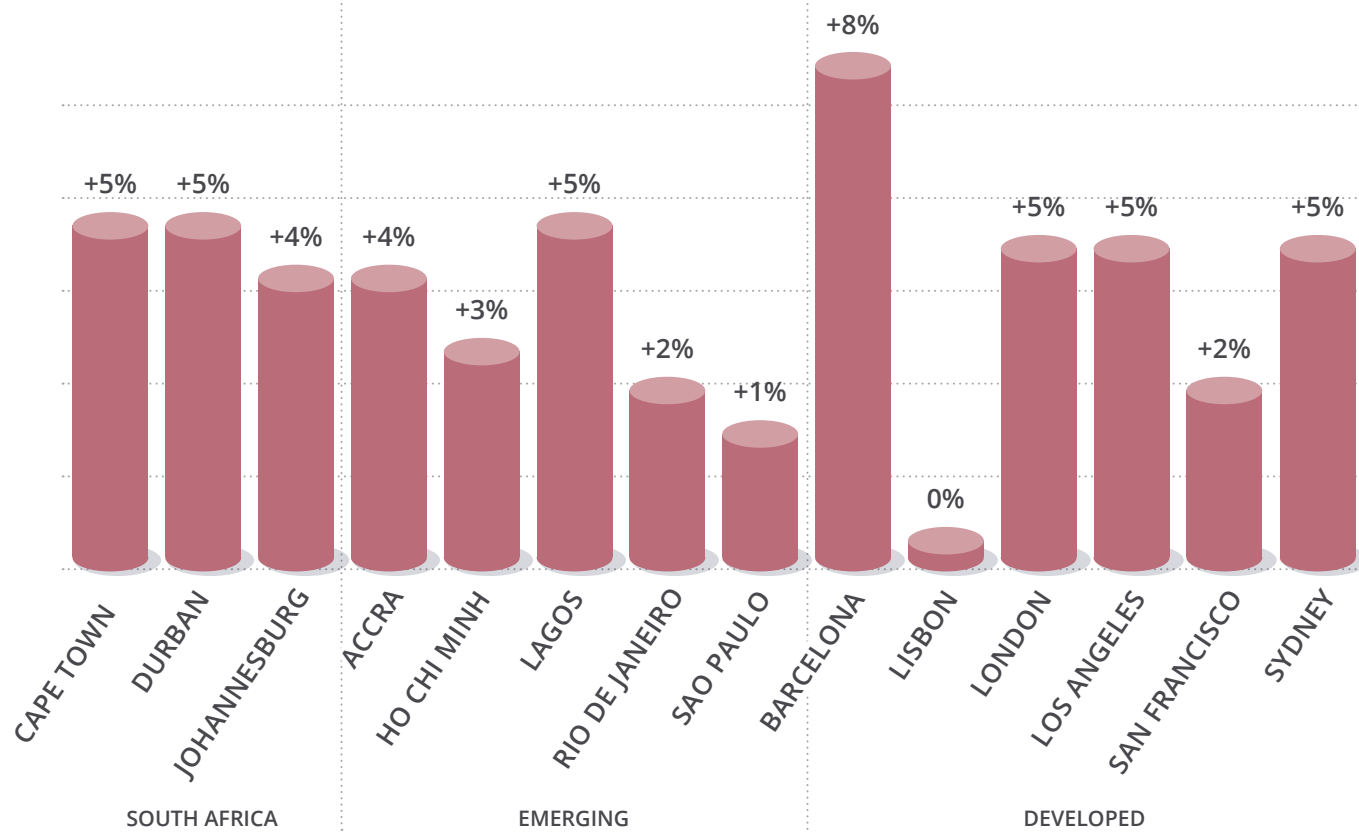


South Africa grocery spend per active card by channel growth (2023)



Source: VisaNet data sample 2022-2023.

Online transactions per active card CAGR (2019-2023)



Source: VisaNet data sample 2019-2023.



Social commerce is also growing, with 25% of local consumers reporting they recently made a purchase through social media. Of those, 35% shared their purchases with their social networks (*Euromonitor Voice of the Consumer Survey*).

How Discovery Bank clients hacked Black Friday

Discovery Bank spend data over Black Friday in 2023 revealed some interesting trends:



**Many clients began shopping online early**

with over a third of purchases made before nine in the morning.



There was a reversal from previous years, with **80% of purchases made in-store**

compared to 75% in 2022.



The average **value of online purchases increased by 18%**

from 2022, while in-store purchase values decreased by 5%.

Source: Exclusively Discovery Bank data.

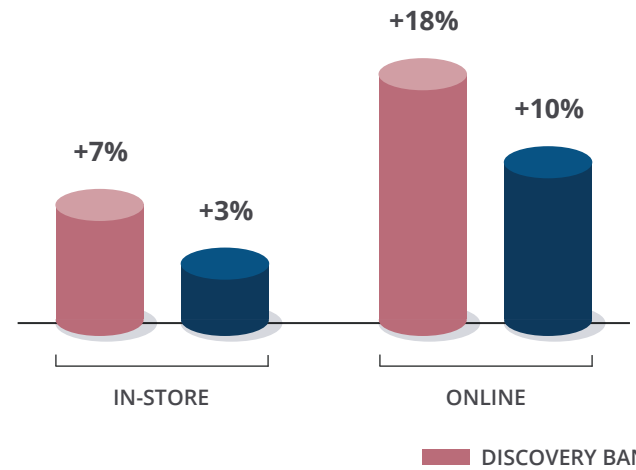


### Online international spend

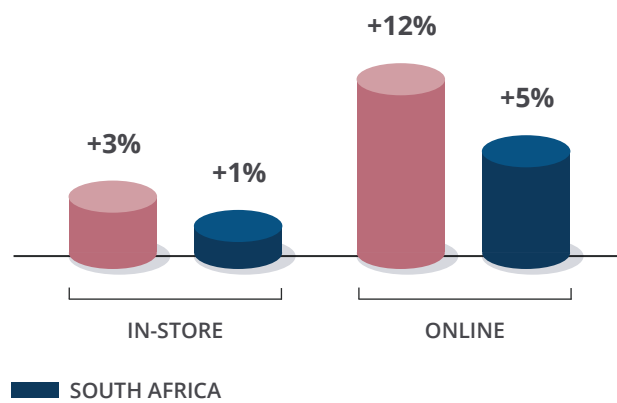
South Africans are spending and shopping more from international platforms, while spend in-store at international destinations is growing at a slower pace. This can be attributed to emerging

growth in streaming, gaming, and international e-commerce. There has been a rise in global online e-commerce platforms delivering to South Africa, with improved logistics and delivery times.

#### In-store vs online international spend per active card simple growth (2022-2023)



#### In-store vs online international transactions per active card simple growth (2022-2023)



Source: VisaNet data sample 2022-2023.

### The global e-commerce platforms Discovery Bank clients favour



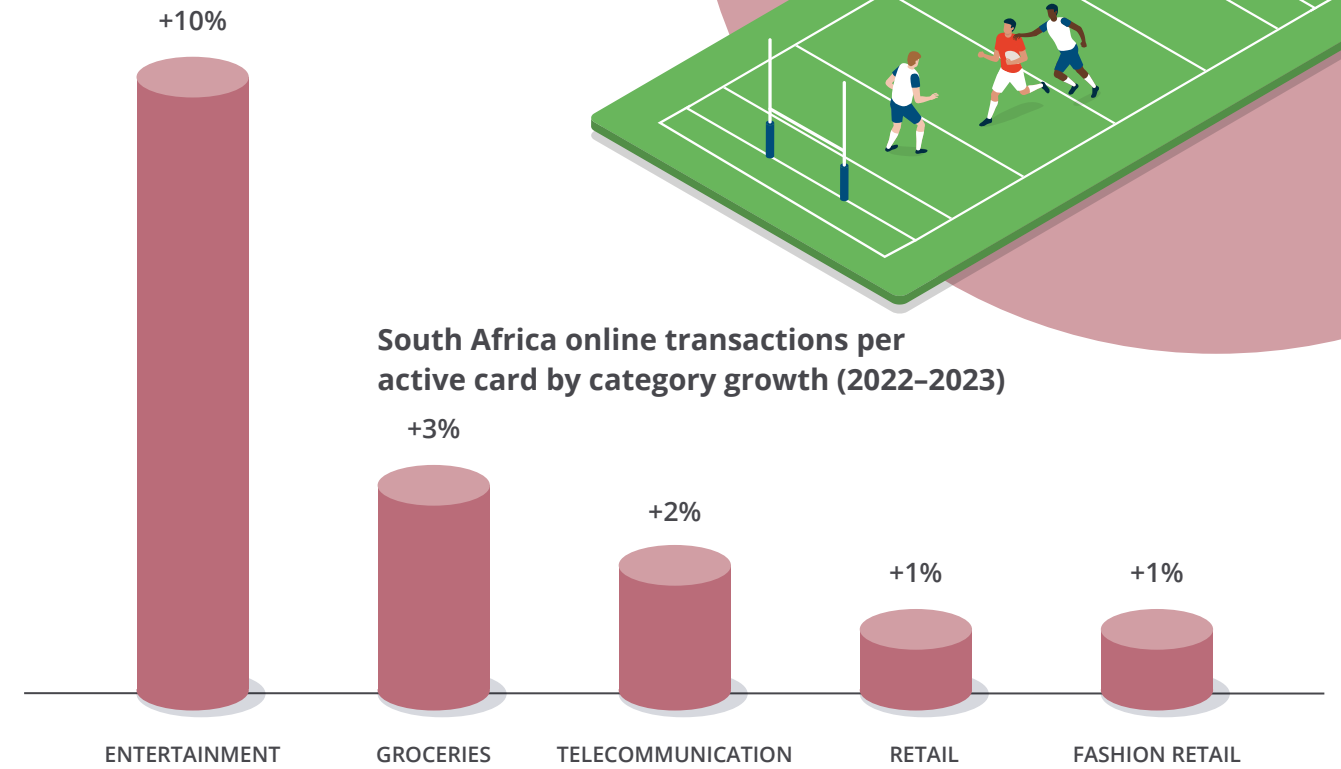
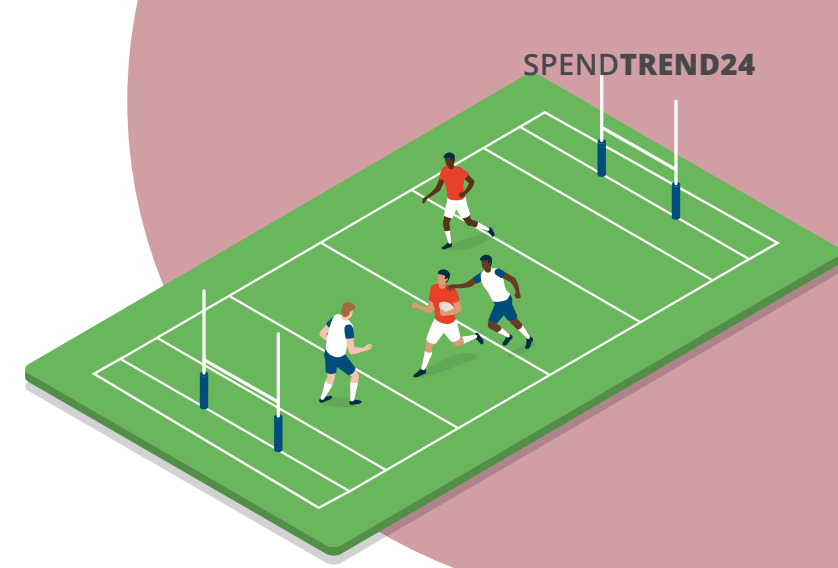
### Online entertainment and streaming spend

Entertainment spending is the fastest growing online spend category for both South African and Discovery Bank clients, mostly due to increased online ticketing and sports entertainment transactions. The sports entertainment industry saw significant growth – from R8.8 billion in the 2019/20 financial year to R23.7 billion in 2022/23<sup>1</sup>.

Discovery Bank spend data shows a surge in online betting during events like the Tour de France, followed by the 2023 Rugby World Cup and the ICC World Cup.



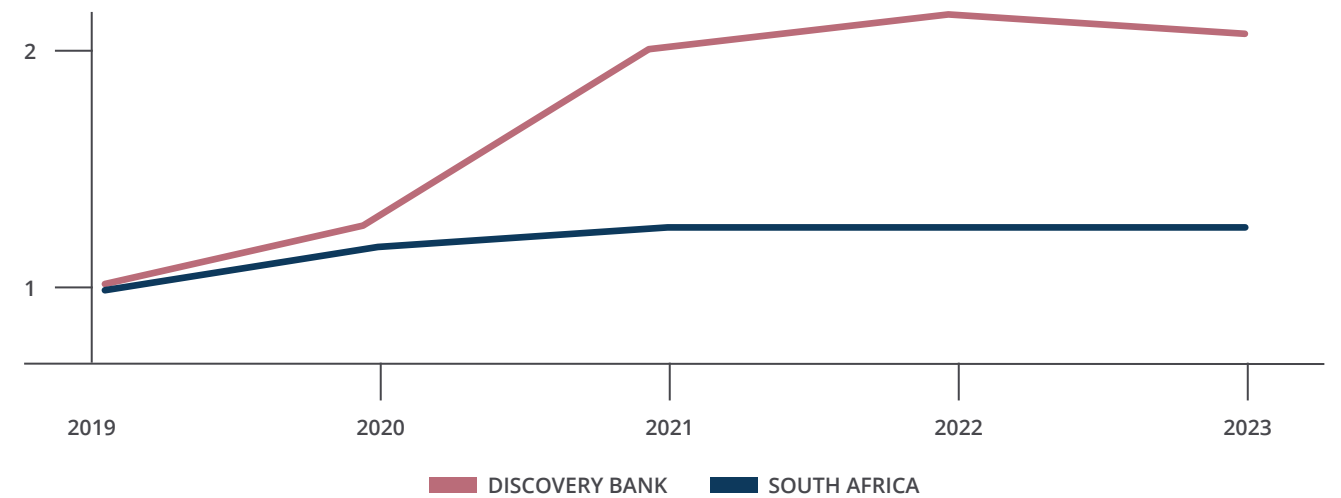
<sup>1</sup>National Gambling Board Annual Report 2022/23.



Source: VisaNet data sample 2022-2023.

Online streaming services for content such as music, series and movies have emerged as a key source of entertainment since the start of the pandemic. According to Euromonitor a whopping 80% of South Africans surveyed stream video at least weekly. Discovery Bank clients outpace the South African market with a 23% CAGR (2019-2023) in transactions per active card compared to 7% for the market for the same period.

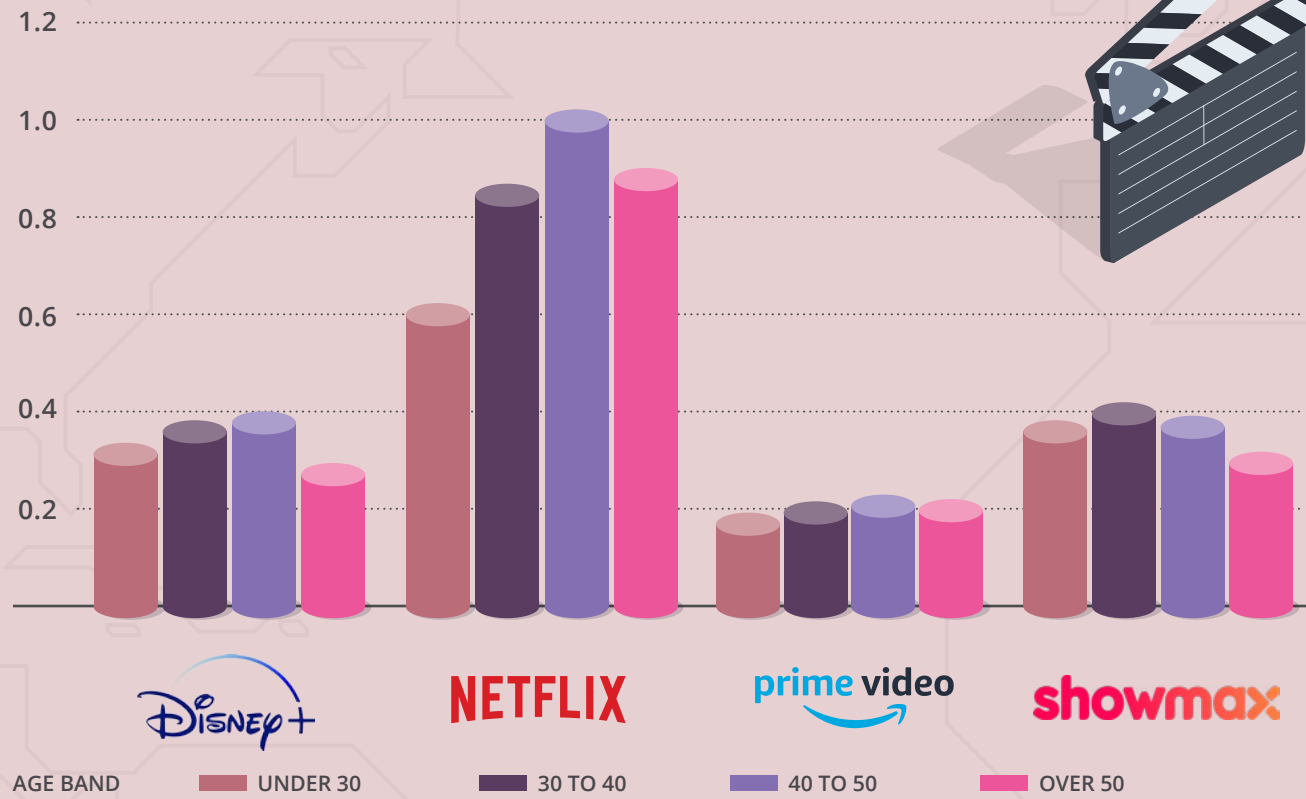
### Streaming services transactions per active card (indexed to 2019)



Source: VisaNet data sample 2019-2023.



**Discovery Bank utilisation of streaming services by age in years based on purchases (indexed to Netflix 40 to 50, 2023)**



Source: Exclusively Discovery Bank

**Digital banking drives digital spend**

Discovery Bank clients are more digitally active than the average South African cardholder suggesting they're more likely to be early adopters of new technologies.



For example, data shows Discovery Bank clients are embracing online shopping at a faster rate than the average South African market:

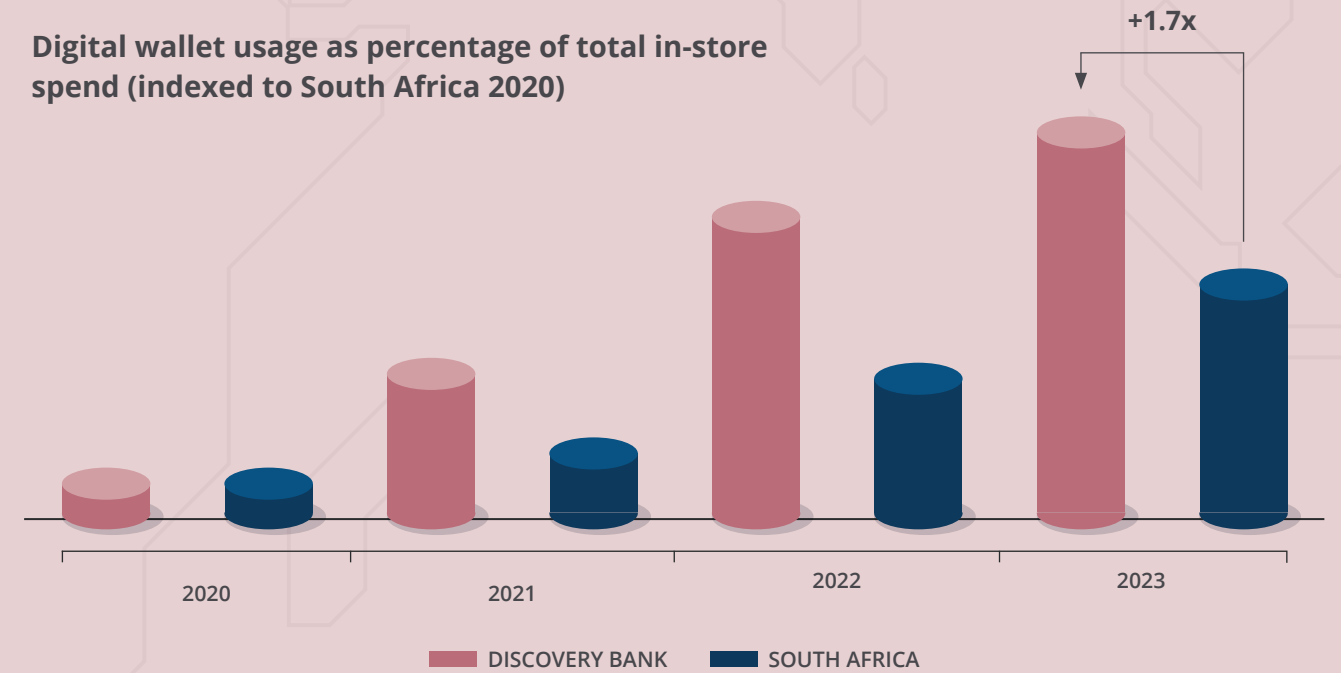
**Discovery Bank clients made more online purchases**  
with a CAGR (2019-2023) of 7% compared to 5% for South Africa overall.

**Discovery Bank clients' total online spending increased faster**  
with a CAGR (2019-2023) of 16% compared to 7% for South Africa overall.

**Discovery Bank clients spent more per online purchase**  
with a CAGR (2019-2023) of 9% compared to 2% for South Africa overall.

Moreover, Discovery Bank clients **used digital wallets 1.7 times more than the overall South African market in 2023**, and this use is growing at a faster pace.

**Digital wallet usage as percentage of total in-store spend (indexed to South Africa 2020)**



Source: VisaNet data sample 2020-2023.

# Expected SpendTrends for 2024

## In 2024, we predict:

**As the impact of high interest rates persists, people will keep shifting towards value-based spending.**

Consumers will continue to prioritise getting the most value for their money, preferring products and services that offer a good balance of quality and cost. This is likely to increase the use of rewards and loyalty programmes, especially in travel.



**Interest rate reductions by central banks will reduce pressure on consumers and encourage more spending.**

This will result in higher disposable income for consumers with existing credit obligations and easier access to credit for others.

**Digital payments will become more dominant** as people increasingly use contactless payments through smart devices and online transactions. This shift is driven by convenience, security, and the growing availability of digital payment options.



**Both in-store and online purchasing will see balanced growth** as retailers integrate omnichannel sales strategies. Consumers increasingly expect a seamless shopping experience that combines the immediacy of online shopping with the tactile experience of in-store shopping.

**The entertainment industry will continue to thrive**, with more people engaging in mobile gaming and online betting. Global players will offer high-quality content to attract a wider audience, while regulators adapt to keep up with innovation.

# Glossary

## A

### Active cards

Cards with at least one transaction in a month.

### Average flight ticket prices by route

The average cost paid per one-way local flight or per return international booking on particular routes when purchasing flights through Vitality Travel over the specified period.

### Average total spend per active card

The total payment volumes in local currency divided by the total number of unique cards in a market.

## C

### CAGR (Compound Annual Growth Rate)

The annual growth over a specified time period, assuming compounding.

### Contactless payments

In-store transactions made without physical card contact using near field communication (NFC) technology by tapping a point-of-sale device with either an NFC-enabled bank card or a smart device linked to a digital wallet.

## D

### Developed economies

Countries classified by the International Monetary Fund in its World Economic Outlook as advanced economies.

### Digital wallet

An electronic app that securely stores card payment information for use on a smart device for in-store and online payments.

### Discovery Miles

Discovery Bank and Vitality's rewards currency that clients earn for getting healthier, driving well and spending responsibly.

### Disposable income

Income left after accounting for taxes and non-discretionary expenses.

## E

### Emerging economies

Countries classified by the International Monetary Fund in its World Economic Outlook as emerging or developing economies.

## F

### Family structure

Household composition determined by number of members, their relationships and dependent children, based on Discovery Bank and Vitality data.

### Favourite day to buy

Most popular day of the week determined by spend distribution in specified categories, based on Discovery Bank data.

### Favourite online stores

The top merchants by online transactions in specified categories, based on Discovery Bank's data.

### Favourite physical stores

The top merchants by face-to-face transactions in specified categories, based on Discovery Bank's data.

### Food inflation rate

Average annual increase in the general price level of food over a specified period of time.

### Food spend

Food spend is defined as a unique card making a food-related transactions (groceries, eating out and takeout) in the observed period.

## G

### Grocery spend

Grocery spend is defined as a unique card making a grocery-related transactions in the observed period.

## I

### Index

All indices are constructed using a relevant base period unless indicated otherwise. Values may be indexed to a specific period, market, segment or category.

### Inflation

Average annual increase in the general price level of goods and services in an economy over a specified period of time.

### In-store/ In-person

Physical transactions made in-store or in-person.

## O

### Online

E-commerce transactions made online.

## P

### Payment channel

Electronic payments are separated for purposes of the analysis into in-store, online, contactless and digital wallet, where appropriate.

### Payment volume

Payment volume (currency amount of electronic payments including in-store and/or online transactions, but excluding cash withdrawals).

### Phygital

A combination of physical and digital experiences.

## S

### Segment

The classification of groups of clients based on their spend volumes in their own local currencies as Mass, Mass Affluent, Everyday Affluent, or High Net Worth.

### Share of cards spending online

The proportion of cards that made an online transaction in the specified period.

### Share of online spend vs total card spend

The proportion of online payment volume against total payment volumes during the specified period.

### Share of total spend per category

The total payment volume for each merchant category divided by the total payment volume over the specified period.

### Share of total transactions by day of the week

The proportion of grocery/ clothing/ fuel transactions split by day of the week, split by payment channel, based on the Discovery Bank client base.

### Simple growth

Simple growth is calculated using either average spend per active card, average transaction size or transaction per active card over the specific period.

### Spend growth

Average growth in spend per active card calculated over a specified period.



# Glossary

## **Spend per active card**

Payment volume in local currency divided by total active cards over a specified period.

## **Spend per active card growth**

Growth in average spend per active card calculated over a specified period.

## **T**

### **Transactions per active card**

Total number of transactions divided by total active cards over a specified period.

### **Transactions per active card growth**

Growth in average transactions per active card calculated over a specified period.

### **Transaction size/ value**

Payment volume in local currency divided by the number of transactions. Also referred to as basket size.

### **Travel spend**

Travel spend is defined as a unique card making a travel-related transaction in the observed period.

## **V**

### **Vitality Travel**

The online travel booking platform available exclusively to Discovery Bank clients which offers them discounted and non-discounted local and international flights, accommodation and car hire through an extensive partner network.



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