

Mastercard: South Africans buy into Valentine's Day experiences

For Valentine's Day, South Africans spend more on romantic experiences like travel and dining out rather than traditional gifts. This is according to the latest Mastercard Love Index, which offers retailers and merchants insights into consumer buying habits and behaviours during the period leading up to the most romantic day of the year.



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The index, created by analysing credit, debit and prepaid transactions across the past three Valentine periods (11 to 14 February from 2016 to 2018), revealed that sentimental spending in South Africa has grown by 66% since 2016 – well above the global average of 3% – with the majority (30%) of Valentine's purchases made on 11 February.

How South Africans say "I love you"

Dinner dates at a restaurant remain the most popular way for South Africans to say "I love you", accounting for more than 80% of the total transactions made in 2018.

Although the stomach may be the quickest way to a loved one's heart, it isn't the only one. Jetting off for Valentine's Day (via plane or train) saw a significant rise as the number of transactions increased by 161% in 2018, accounting for 25% of total spend over the most romantic time of the year. Indulging in a hotel stay remains a firm favorite, with hotels comprising 40% of the total value spent over the Valentine's period in 2018.

While plumping for traditional gifts like flowers saw a 24% increase in the number of transactions versus 2016, this category accounted for a mere 1% of the total transactions. Spending on jewellery in 2018 declined 43% since 2016.

“Spoiling your loved one on Valentine’s Day shows no signs of slowing down in South Africa,” says Mark Elliott, division president, Mastercard Southern Africa. “Our data also highlights the move towards the ‘experience economy’ where consumers are choosing to create lasting experiences and happy memories rather than purchasing material gifts.”



10 ways to win over customers' hearts this Valentine's Day

Higor Torchia 12 Feb 2019



Growth in contactless payments, online shopping

When it comes to paying for purchases, the use of contactless technology continues to rise in momentum as the value of transactions rose by a huge 556% in 2018 compared to the same period in 2017.

Meanwhile, appetite for online shopping has grown with a healthy 81% increase in the number of e-commerce transactions. Yet, as payments become more digitized, the power of the physical touch remains – 97% of Valentine’s Day transactions are still made in person.

“With the rise of safe and seamless contactless and digital payments, it’s now easier than ever to impress our loved ones with meaningful Valentine’s surprises,” says Elliott

Spending patterns in MEA between 2016 and 2018

- The Middle East and Africa increased sentimental spending by 10% from 2016 to 2018, with a 20% increase in the volume of transactions.
- Contactless, in particular, saw huge growth: an increase of 8,991% in spend from 2016 to 2018, with 25,663% increase in volume of transactions (from 32 in 2016 to 8,244 in 2018).
- Spending on small gifts increased, with a 94% increase in the number of transactions for flowers and 33% increase in spend on cards and stationery.
- Similarly, spending on experiences – hotel trips and transportation – rose by 19% and 28% respectively.

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