

# How do females fare in the SA retail market?



By Eben Esterhuizen

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While we focus on women in South Africa during the month of August and honour our constitution for declaring the 9th of August a public holiday, retailers continue to look closely at the overall economic status of women.



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How liquid is the average women consumer? What does she buy? Does she have the buying power in a household and what does that household look like?

## Customer behaviour should drive retail

Segmenting customers, particularly women, in a country as unequal and diverse as South Africa is [far from simple](#), in fact, the data specific to the FMCG female customer is sparse.

This is felt in the retail detail and shopper marketing spheres, as Liezel Matthee, head of analytics and consulting at [IRI South Africa](#) notes: “In South Africa, we have found that retailers and manufacturers are extremely good at measuring results, but not as good at measuring the drivers. Shopper data drives all the results that we’re measuring – it tells us the ‘why’.”

## How are women in South Africa doing?

Out of South Africa’s 57.7 million people in [51% are female](#). And women live, on average, six years longer than men, with a life expectancy of 67.3 years compared to 61.1 years for men.

[Stats SA’s article](#), *How do women fare in the South African labour market?* notes, “The rate of unemployment amongst women was 29,5% in the second quarter of 2018 compared with 25,3% amongst men.”

They state that women are more likely than men to be involved in unpaid work and of the informal sector (which accounts for 17,4% of total SA employment) 47,6% are women compared to 30,6% of men. Clearly, times are tough.



Eben Esterhuizen 13 Jun 2018



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## Spending overview

South Africa's Gross Domestic Product (GDP) was worth \$349.42 billion in 2017 (substantially up from \$295.76 billion in 2016) and consumer spending in South Africa increased to R1,936,072 million in the first quarter of 2018 from R1,928,878 million in the fourth quarter of 2017. But, [employment growth](#) slowed in the first quarter of 2018, with most of the limited job creation happening in the informal sector.

## Household consumption

On average a [South African household](#) will generally consist of three to four people and have an income of R138,268 per year, with an annual expenditure of R103,293. [Male-headed households](#) have a higher average annual income than their female counterparts – R165,853 and R98,911 respectively – and therefore, have greater spending power than female-headed households.

Other statistics to bear in mind are that South Africans spent [R31,900 per second](#) in retail stores in 2017 and of our population of over 57 million, just under [31 million people](#) are currently using the internet.



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SA consumers consolidate spend by shopping less across fewer categories

3 Aug 2018



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## Women earn less but pay more

In a recent [survey done by Sanlam](#) some interesting findings emerged with regards to women's regular spend; the stats aren't conclusive, but indicative, as Danelle van Heerde, head of advice processes at Sanlam Personal Finance says, "To drastically oversimplify the situation, women are generally earning less and paying more."

In the survey, 98% of women say they spend more than R100 on monthly toiletries and only 23% of men do. Some of the items listed are:

- Basic toiletries
- Grooming products
- Medical screenings

Of the 500 women and 500 men surveyed, additional findings include:

- Women spend over R1,500 a year on medical screening, versus only 1.2% of men.
- The majority of men, at 56.4%, spent nothing on contraceptives.
- 51.2% of women purchased contraceptives monthly, with 30% of them spending more than R100.

The suggestion by Sanlam was that these discrepancies between spend came down to “pink tax”, which is gaining traction through the #Axethepinktax movement.



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Leigh Andrews 9 Jul 2018



## The future

According to [Gareth Paterson](#), Nielsen retail vertical lead, South Africa has added 100,000 new traditional trade (e.g. spaza) and modern trade (hypermarkets, supermarkets) stores to its retail world in the last two decades.

Nielsen describes the growth of the spaza shop as “exceptional”, with an increase from 45% to 53% of South African modern trade shoppers (2015 vs. 2016) who now also utilise spazas. Since women are the majority of people occupying the informal sector it would add up that they are the ones predominantly shopping at the Spaza shops.

Nielsen also reports that by 2025 the South African population will have increased by 6% (approximately 3 million people) with notable workforce changes because more than [4.3 million](#) women will have entered the job market by then. With this in mind, retailers need to be prioritising product, price and ease of purchase for women who will be even more prominent when making purchasing decisions in the future.



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Gareth Paterson 24 Jul 2018



As retailers, it would be prudent for us to get to know the different types of female consumer better - from the estimated [11.5 million](#) people who are part of a stokvel to the other end of the spectrum, the woman heading towards a totally online shopping lifestyle and those in between. One thing we do know for sure is the future of South Africa is young and female and that's an exciting prospect for the local FMCG space.

## ABOUT EBEN ESTERHUIZEN

Eben has over 20 years retail, pharma & FMCG experience in South Africa. He understands consumer & shopper behaviour patterns, and is an expert in CE. Eben is passionate about delivering bottom line success for brands in retail. A champion for innovation, as General Manager at The Pharma Group, Eben is continually developing both himself and his team to deliver excellence in the marketplace.

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