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Smartphone sales growth stalls while panel TVs soar during Black Friday week 2018 - GfK data

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Panel television sales soared in South Africa during Black Friday week, climbing by 66% to just over 93,000 units when compared to the same week in 2017, according to point of sale tracking data from <u>GfK South Africa</u>'s Weekly Monitor. This builds on the 47% growth over 2016 recorded during the week of Black Friday in 2017.

Retailers sold around 29,000 panel televisions in the week of Cyber Monday (the week after Black Friday), indicating that Black Friday deals are rapidly taking over more of the month of November. On average, retailers sold around 16,000 units per week in the weeks preceding the week of Black Friday.

Over the week of Black Friday, smartphone unit sales grew by around 3.9% compared to the same week last year to just over 350,000 units. This represents a sharp drop in growth from 2017, when smartphone unit sales for the Black Friday week leapt 63% over the



same week of 2016. Around 308,000 smartphone units were sold the week after Black Friday 2018. During the weeks preceding Black Friday, South African retailers sold an average of 220,000 smartphone units a week.

"Hype about panel television sales has definitively shifted from December to November as consumers look out for the best Black Friday deals before committing their money," says Kali Moahloli, Head of Sales & Retail, at GfK South Africa. "Compared to two Black Fridays ago, 2018 Black Friday panel TV sales have grown by 151% in units."

Other highlights from GfK's point of sale data for Black Friday week include:

- Entry-level smartphones (less than R1000) accounted for 36.5% of units sold, but only 8.4% of the value of smartphone sales during Black Friday week.
- Premium phones (R7000 and above) accounted for a mere 8.5% of unit sales, but comprised 43.6% of the value of sales rung up during Black Friday week.
- Intermediate and mid-tier units (R1000 to R6999) made up 55% of unit sales and around 48% of the value of smartphone sales recorded during Black Friday week.
- Entry-level models (less than R3000) had a 42.8% share of panel TV unit sales, but accounted for only 19.7% of revenues for Black Friday week.
- Premium models (R6500 and above) made up a quarter of panel TV unit sales during Black Friday week 2018 and more than half (52.7%) of panel TV revenues for the week.
- Mid-tier and intermediate models (R3000-R6499) made up around a third of panel TV unit sales for the week and around 27.6% of revenues.

"Slower smartphone sales growth can be attributed to consumers taking strain from a weak economy and from the gradual saturation of the market," says Moahloli. "December is traditionally a stronger month for smartphone sales than November, which is unlike the panel TV market where sales trend downwards after Black Friday. We could see good data deals from the operators help boost growth ahead of the festive season."

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