

Consumer spending leads economic recovery

By  Danette Breitenbach

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The recent launch of the Mastercard SpendingPulse Report is a first for South Africa. The Report is an early indicator of consumer spending trends and is part of the change Mastercard is undergoing, and a space it is spending more time in.



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Mastercard is no longer just the company that delivers credit cards says Mark Elliot, division president, Mastercard, Southern Africa.

The change stems from the recognition that the company is in possession of vast amounts of data. In South Africa, Mastercard works with merchants and issuers to understand the market they operate in to provide a better performance and tools to allow them to make the correct strategic decisions. “The Report closes a gap in the data that many issues and merchants have, while providing the opportunity to have more actionable insights earlier than other sources.”

Sarah Quinlan, senior vice president and group head, market insights, Mastercard elaborates on this. “We have a lot of data but we have not yet learnt to use it. If we can understand the data we can give insight and then give commentary to help you make a decision. This is what the Report does.”

The Report tells us what the consumer does. “The consumer in the world and specifically in South Africa has been leading any sort of economic growth, not government or investment by business, so you must have her pulse.”

She says 'her' on purpose. "With 75% of purchases in this country made by women, you need to understand how she thinks."

Analysis of consumer trends

The Report endeavours to provide an analysis of consumer trends that is on an executive level that drives insights to enable fact-based decision-making. "It reveals that shifts in the health and spending power of the consumer in light of the wider economic landscape."

The Report is based on actual spending data. "The data is sourced from our worldwide payments network and includes all forms of tender, such as cash, not only Mastercard data." Globally there are 2.3 billion cards and 52 billion transactions take place a year.

The Report is released at least two weeks prior to government reports and has a strong correlation to government sources. The sectors covered are total retail general dealers, pharmaceuticals, medical goods toiletries and cosmetics.

Elliot adds that while the South African macroeconomy continues to be challenging, Mastercard will continue to work against that backdrop. "We believe that we are well-placed to provide more success."

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

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