

How South Africans Shop in 2026

Consumer shopping behaviour,
payment preferences and the forces
reshaping South African commerce

CONTENTS

Foreword	03
Methodology	05
About Stitch	08
Section 01: How, when and where people shop	11
Section 02: The evolving payments landscape	22
Section 03: The rise of Buy Now Pay Later and consumer credit	27
Section 04: Building trust at checkout	34
Section 05: Cash usage persists	40
Section 06: Five trends that will define South African commerce	44
Conclusion	47

FOREWORD

South African commerce is moving faster than most businesses realise. The way consumers discover products, choose where to buy them and decide how to pay is being rapidly reshaped by local and global forces: from the explosive growth of international low-cost platforms to the fast-growing adoption of AI as a tool for search, shopping and everyday tasks.

Rising consumer demand for instant, seamless and efficient shopping has become both a driving force, requiring on-demand delivery and logistics companies to continually innovate to meet these expectations, as well as a tool boosting the reach and competitiveness of businesses that get the experience right.

This is the fourth year that Stitch has conducted firsthand consumer research into the payments and shopping behaviours of South Africans. Previous editions focused primarily on payment preferences, looking at how consumers move money, what methods they trust and where friction lives in the checkout experience. We've continued to evaluate the evolution of those behaviours in this report.

However, this year, we've also broadened the lens. How South Africans Shop in 2026 goes beyond payments to map the full consumer journey: where people shop, what they buy, how they decide and what they've come to expect from the businesses that serve them.

For this report we surveyed 3,000 respondents and conducted 27 in-depth qualitative interviews, alongside our research partners Looka and Sandisiwe Ncube (Independent Consultant, Consumer Insights & Digital Financial Services), between February and March 2026. The result is a comprehensive picture of the South African consumer at a moment of rapid change.

We publish this report because we believe that better data leads to better decisions, and that the businesses which understand their customers most deeply will be the ones that thrive. We hope the findings that follow are useful to merchants, platforms and financial institutions building the future of South African commerce.

EXECUTIVE SUMMARY: DEFINING COMMERCE IN SOUTH AFRICA

We spoke with South Africans that engage in both online and in-person commerce, across demographics, to understand how they're thinking about shopping today.

+80%

more transactions happen on the 1st vs 22nd of the month. The 25th is the single busiest day, and the last week of the month captures ~35% of all volume

71%

of credit-active consumers use Buy Now Pay Later at some frequency

62.5%

of consumers now shop online as much or more than in-store. Only 2.2% shop almost exclusively in physical stores

76%

spend more than R2,000 per month online, demonstrating that significant purchasing power has moved digital

93.3%

tried a new payment method in the past 12 months, up from 90% in 2025. The payments landscape is fragmenting at speed

74.6%

shop directly on brand websites. Consumers go to the brands they love, not just to marketplaces

48.5%

now shop on international low-cost platforms like Temu and Shein. This is up from a negligible mention just two years ago

57.5%

adopted one-click digital wallets (Apple Pay, Google Pay, Samsung Pay) in the past year

Methodology



METHODOLOGY

HOW THIS RESEARCH WAS DESIGNED, CONDUCTED AND VALIDATED.

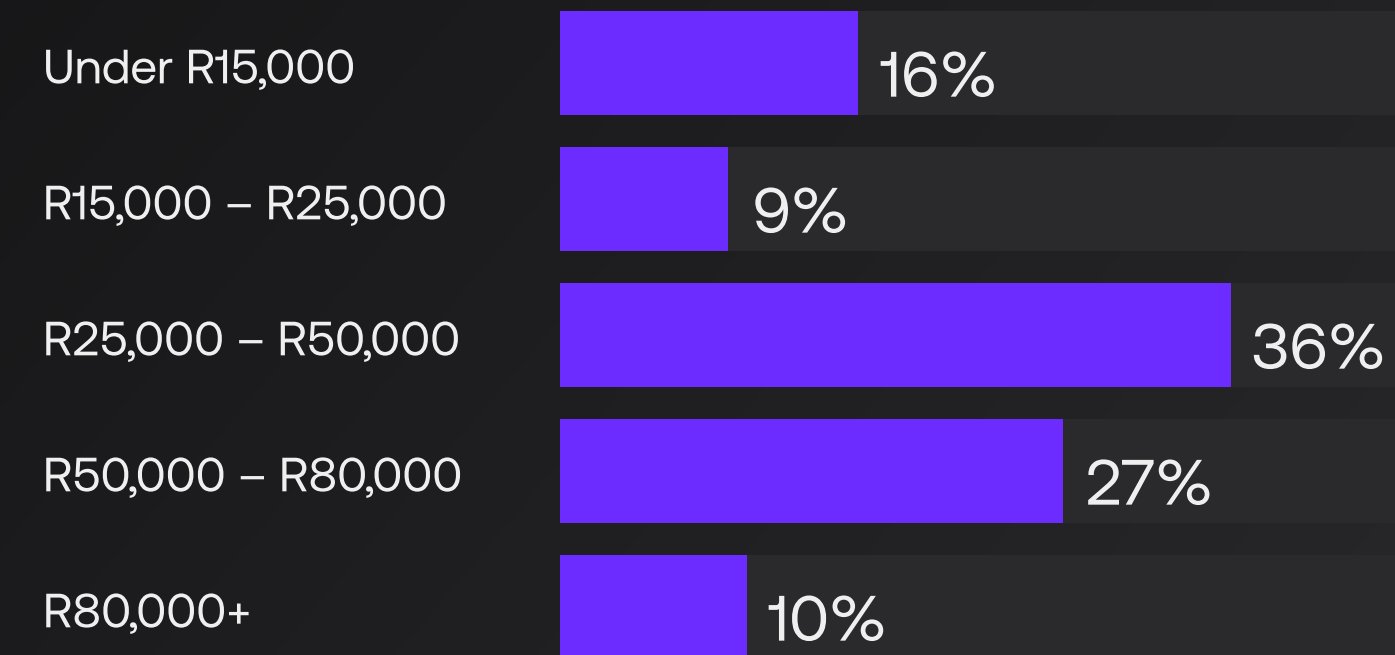
Quantitative research

Sample size	n = 3,000
Research partner	Looka
Fieldwork	March 2026
Method	Online survey
Scope	57 variables across 7 sections

Qualitative research

Conversations	27
Formats	Individual interviews, focus groups, paired interviews
Researcher	Sandisiwe Ncube (Independent Consultant — Consumer Insights & Digital Financial Services)
Fieldwork	February – March 2026

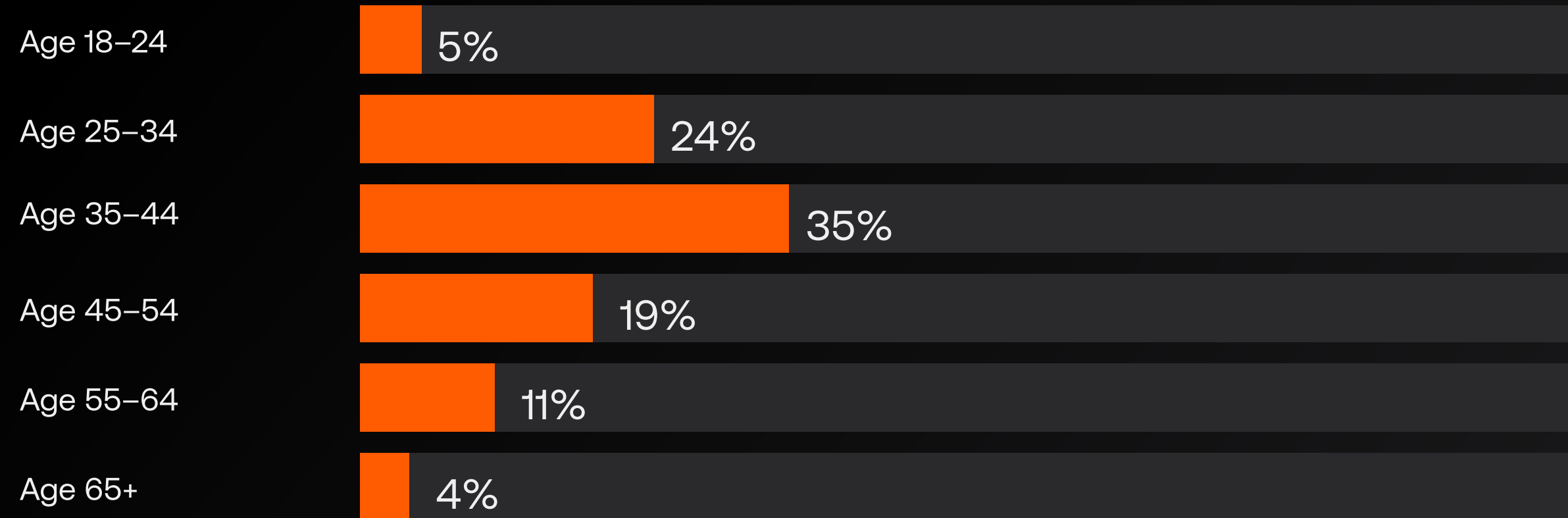
Income distribution



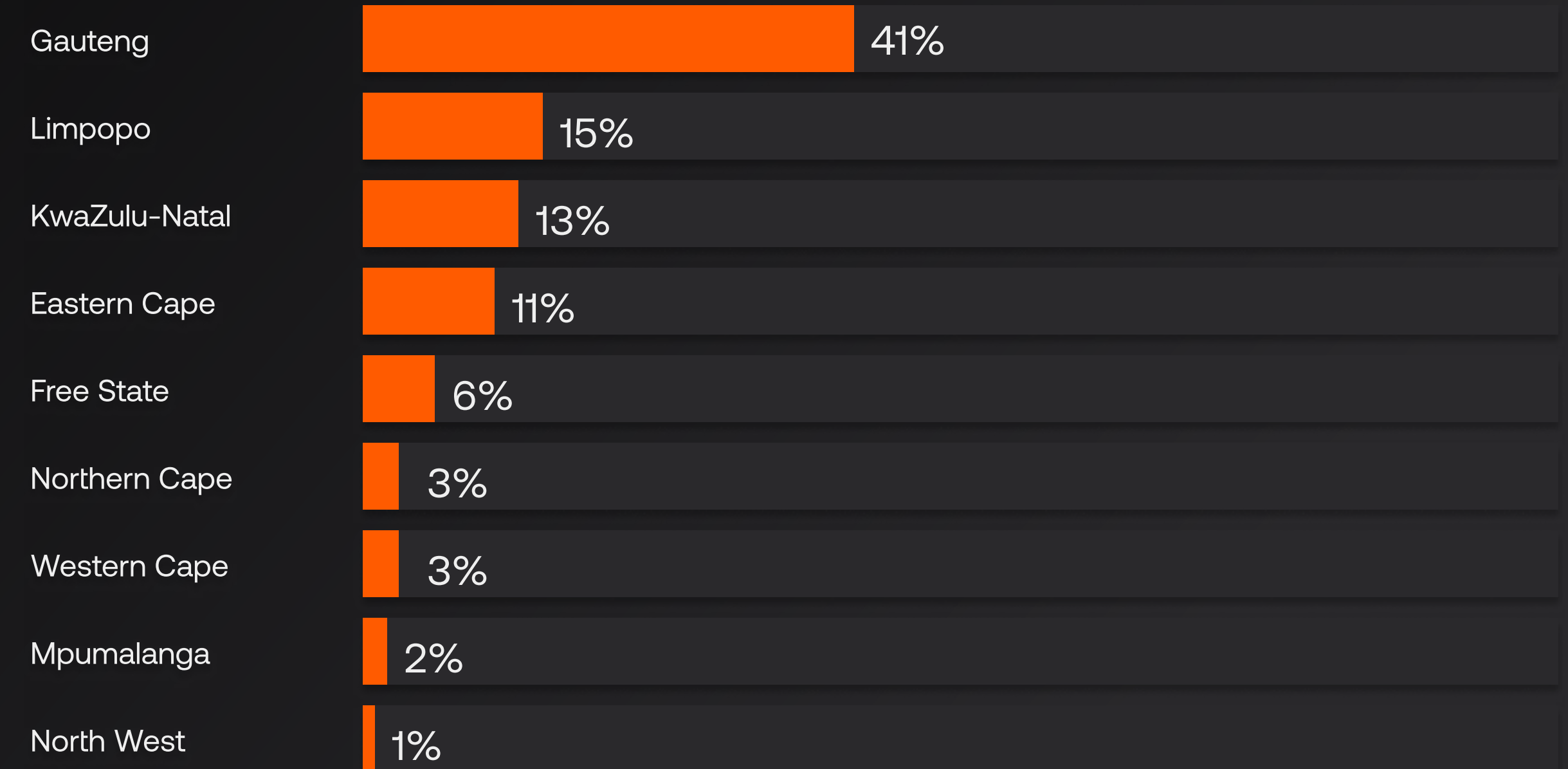
Gender breakdown



Demographics overview



Provincial distribution



Methodological note

Western Cape underrepresentation: Western Cape represents 3.9% of the sample versus approximately 11.5% of the national population. Post-stratification weights were applied to five income tiers exceeding ±5 percentage point gender thresholds. Design effect (DEFF) ≤ 1.165.

STITCH

About Stitch

ABOUT STITCH

Stitch is South Africa's leading enterprise payment gateway, built to help businesses accept, send and manage payments at scale. The platform connects directly to banks and payment networks, providing merchants and platforms with fast, reliable and cost-effective payment solutions across the full payments stack: online payments, in-person payments, payouts, card acquiring and financial data services.

Built for enterprise

Stitch is designed for businesses with complex payment needs. From custom integrations and deep technical support to dedicated client success representatives and 24/7 operations, every solution is built alongside the businesses it serves. Stitch does not lock clients into a single provider. Instead, the platform leverages direct connections with multiple banks and networks for built-in redundancies, minimal downtime and access to the latest open banking innovation.

Optimised for e-commerce

Stitch Express brings enterprise-grade payments technology to e-commerce businesses on Shopify, WooCommerce, Squarespace and Webflow. Built on the same infrastructure used by South Africa's largest retailers, Express is designed to increase

conversion and boost revenue through curated payment methods, branded checkout and one-click payments via Apple Pay and Google Pay. Merchants can offer Buy Now Pay Later at checkout, automate Shopify subscriptions and accept payments in multiple currencies.

Unified commerce

Stitch offers a true unified commerce solution, enabling businesses to manage online and in-person payments through a single partner with centralised reporting, streamlined reconciliation and a seamless customer journey, regardless of where customers choose to shop.

Trusted by leading brands

Stitch powers payment experiences for some of the largest businesses on the continent. The platform holds ISO 27001 and PCI DSS Level 1 certifications, the highest global standards of data security and protection.

Some Stitch clients



ABOUT STITCH

SOUTH AFRICA'S MOST RELIABLE PAYMENTS PLATFORM



Higher payment success rates

Built-in redundancies across multiple banks and networks, with intelligent routing that optimises every transaction.



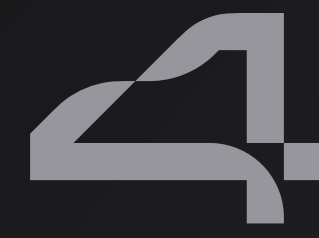
Faster checkout

One-click payments via Apple Pay, Google Pay and Samsung Pay, plus fast payments for returning users on Pay by bank, Capitec Pay and more.



Embedded fraud prevention

Real-time, rule-based fraud detection built into the payments flow, reducing chargebacks without adding friction.



Dedicated support and client success

Custom integrations, hands-on technical support, dedicated client success representatives and 24/7, engineer-led support operations with firstline communications on any issues.



Payouts

Seamless, automated disbursements 24/7, 365 days a year -- including instant rails.



ISO 27001 + PCI DSS Level 1 certified

The highest global standards of data security and protection, with policies under constant iteration and rigorous testing.



Section 01
How, when and where people shop

SECTION 01

ONLINE SHOPPING IS NOW A WEEKLY HABIT

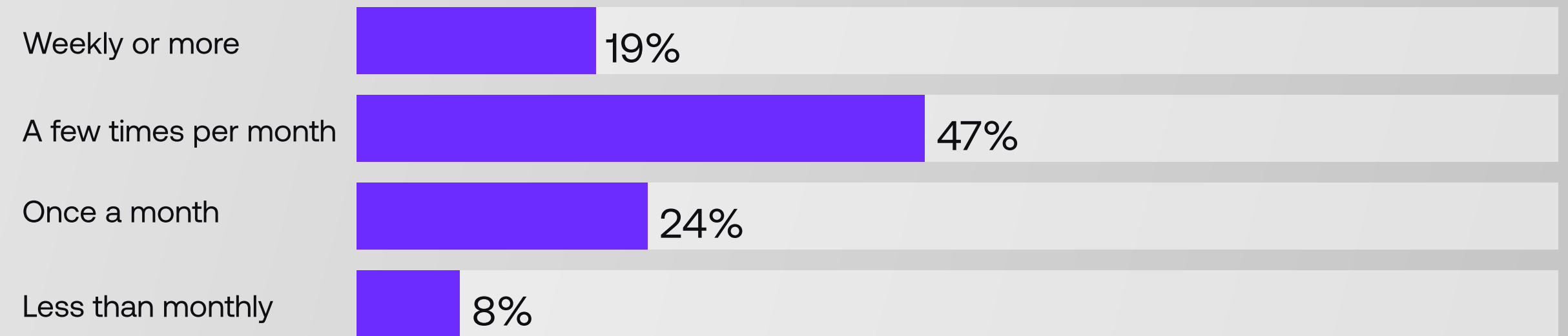
We looked at where and how South Africans shop, how often they buy and what's ending up in their carts.

Year-on-year context

In 2023 (n=300), 44% of respondents said they shopped online weekly or more, though that smaller sample skewed toward heavy digital users. By 2025, only 5% of consumers said they don't purchase groceries online at all.

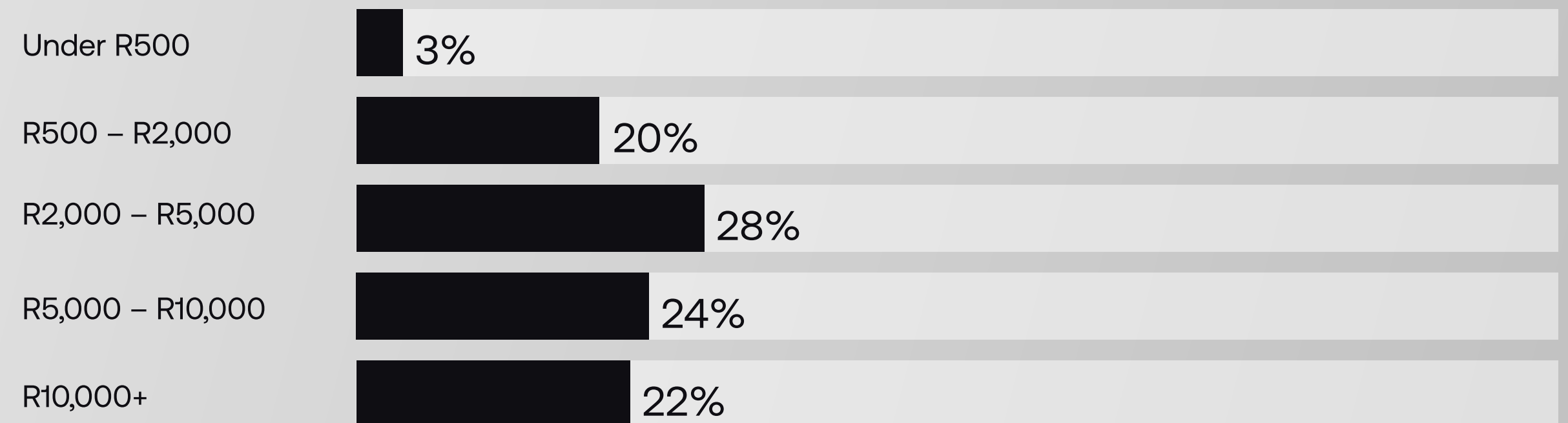
Online shopping frequency

The monthly buyer is now the new norm. More than nine in ten online shoppers make at least one purchase per month, and nearly one in five shop weekly or more.



Estimated monthly online spend

Three-quarters of online shoppers now spend more than R2,000 per month on digital purchases, with nearly a quarter spending over R10,000. This is a material share of household expenditure.



When South Africans shop: Friday evenings lead the week

Survey data tells us how often consumers shop and what they buy. Stitch platform data from Q1 2026 reveals *when* they do it, down to the day and hour.

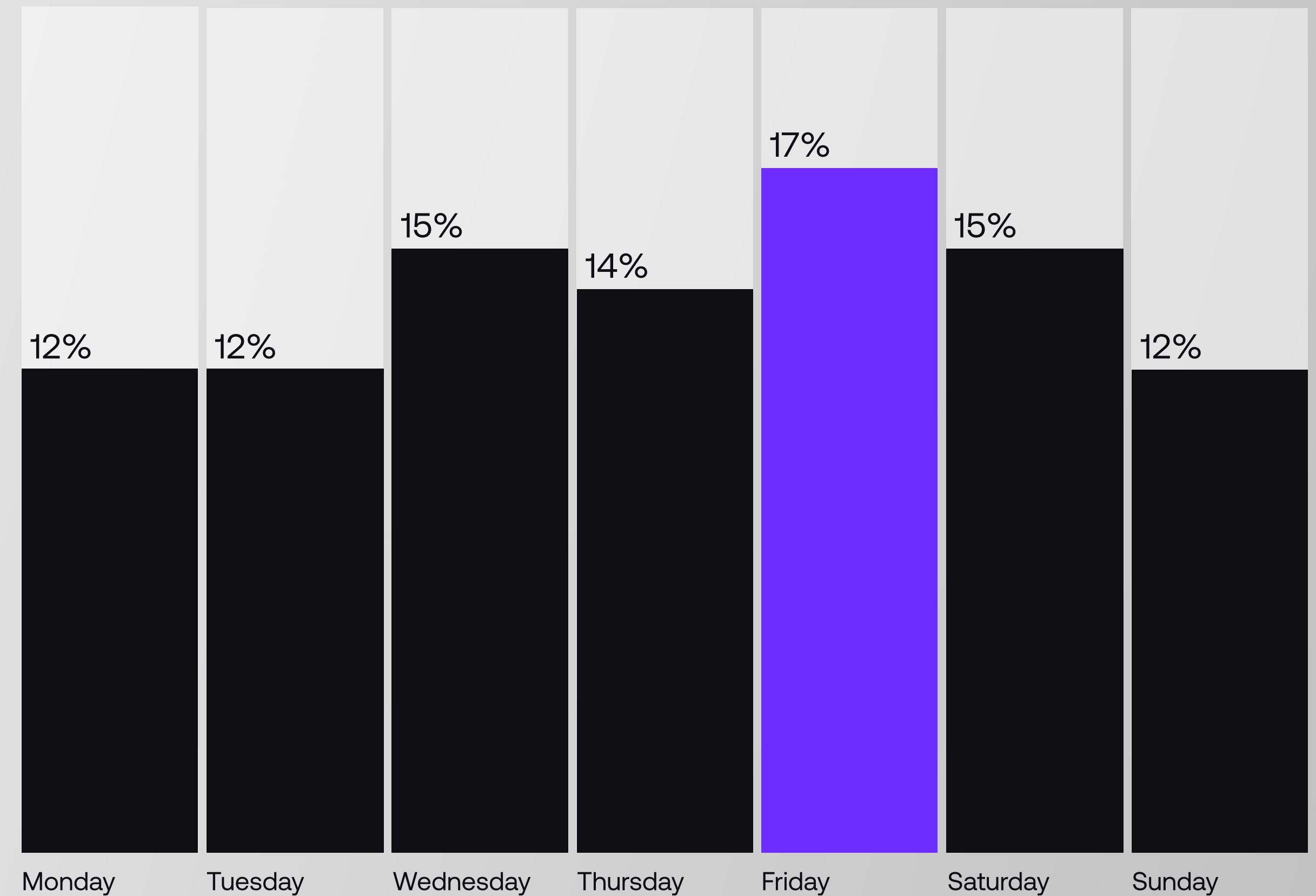
Across millions of transactions processed through the Stitch platform, Friday is consistently the highest-volume shopping day, with 37% more transactions than Sunday, the quietest day. Saturday ranks second in transaction volume, followed by Thursday. The pattern holds across e-commerce, travel and entertainment, reinforcing what qualitative research suggests: South Africans plan purchases around payday cycles and the start of the weekend. Overall, weekdays outperform weekends by roughly 15-20% in transaction volume.

But volume alone doesn't tell the full story. While Friday dominates on transaction count, Tuesday sees the highest average basket value, suggesting

that Tuesday buyers make fewer but higher-value purchases. Saturday, despite its high transaction volume, has one of the lowest average basket sizes, pointing to high-frequency, lower-value weekend spending. The takeaway: the busiest days aren't necessarily the most valuable per transaction.

Transaction volume by day of week
(Stitch platform data, Q1 2026)

The monthly buyer is now the new norm. Online transaction volume peaks heading into the weekend, and falls back on Sundays.



76%

76% of South African online shoppers spend more than R2,000 per month on digital purchases

Relative transaction volume by day. Source: Stitch platform data, January–March 2026.

The hourly pattern is equally distinct. Transaction volumes ramp from around 06:00 SAST, build steadily through the day and **peak at 20:00 SAST**, well after traditional business hours. The evening surge reflects the reality of how South Africans shop: browsing and buying after work, after dinner, from the couch.

For e-commerce merchants, this has practical implications for infrastructure, customer support and marketing. Checkout systems need to perform at their best during evening hours. Customer service availability should extend beyond 17:00. And promotional campaigns timed for Friday afternoons are landing at exactly the right moment in the weekly shopping cycle.

20:00

Peak transaction hour across the Stitch platform (SAST). South Africans shop in the evening, not during business hours.

WHAT THIS MEANS FOR BUSINESS

- ↑

Friday is the highest-volume shopping day

 - 37% more transactions than Sunday.
 - Promotional campaigns, flash sales and new product launches timed for Thursday evening or Friday morning will reach consumers at their most active.
- ⚡

Tuesday buyers spend the most per transaction.

If you are running premium or high-value product promotions, Tuesday may deliver better average order values than the high-traffic weekend days.
- 🏠

Saturday is high-volume but low-value.

Saturday shoppers transact frequently but spend less per basket - ideal for impulse-buy promotions and lower-price-point offers.

- 🏠

The 20:00 peak means checkout infrastructure must perform after hours.

Payment failures during the evening window cost more than failures at any other time of day, because that is when the most transactions are happening.
- 🏠

Customer support hours should match shopping hours.

If your support team clocks off at 17:00 but your customers are most active at 20:00, you are unavailable at the moment that matters most.

The payday effect: income timing shapes the shopping calendar

The weekly and hourly patterns are only part of the story. Stitch transaction data reveals an equally clear monthly rhythm tied to when South Africans get paid.

Transaction volumes peak sharply around month-end and the start of a new month, aligning with South Africa's salary cycle. The **25th is actually the single busiest day of the month**, not the 1st as commonly assumed, likely reflecting employers paying early ahead of month-end. The 1st and 2nd remain high-volume days, with a further spike on the 5th, aligning with public sector and government paydays. The quietest days fall mid-month, around the 22nd. **The last week of the month (22nd to 31st) accounts for roughly 35% of all monthly transactions**, a disproportionate share from a 10-day window. On the 1st of the month, the Stitch platform processes **80% more transactions** than on the 22nd.

+80%

more transactions on the 1st of the month compared to the 22nd. Payday drives the shopping calendar.

Basket sizes shift around payday too. At a weekly level, the average transaction in the last week of the month is 17% higher than early-to-mid month. But daily data shows a sharper peak: **average basket size on the 24th is 46% higher than on the 8th**. Late-month shoppers are making fewer but larger planned purchases, timed to incoming salary deposits. A secondary lift appears around the 15th, aligning with mid-month paydays in certain sectors.

This isn't just averages being pulled up by outliers. **The median basket rises approximately 20% in the last week of the month**, confirming that spending behaviour shifts broadly, not just at the top end. Throughout the rest of the month, the median stays steady at around R100.

WHAT THIS MEANS FOR BUSINESS



Time promotions to the payday calendar.

The 1st, 2nd, 5th and 25th of each month see the highest transaction volumes. Campaigns and product launches timed to these windows will reach consumers when they are most active and most willing to spend.



Late-month shoppers are high-value shoppers.

Average basket sizes are up to 46% higher at the daily level (24th vs 8th), and the median basket rises ~20% in the last week. Consider targeted offers for higher-value products during this window.



Mid-month is the quiet zone.

Transaction volumes and basket sizes both dip between the 8th and 21st. Retention campaigns, loyalty rewards and re-engagement nudges are best deployed here to smooth out the revenue curve.

Where they shop: direct brand websites lead, but international platforms are surging

South African consumers aren't loyal to a single platform. The majority shop across multiple channel types, but direct brand and retailer websites remain the strongest draw, with international low-cost platforms emerging as a serious force. Brand websites include stores like Nike, Cotton On or Woolworths selling directly to consumers. Retailer sites are multi-brand destinations like Superbalist or Bash. Marketplaces are aggregators like Takealot and Amazon SA. International low-cost refers to platforms like Temu, Shein and AliExpress.

The international platform shift

Large marketplaces like Takealot and Amazon remain strong at 66.3%, but international low-cost platforms have surged from negligible presence to 48.5% of online shoppers in just two years. These categories aren't mutually exclusive: consumers are adding Temu and Shein to their repertoire alongside existing platforms. This represents one of the most significant shifts in South African retail in the past decade, and it's happening faster than many merchants anticipated.

Social commerce: small but accelerating

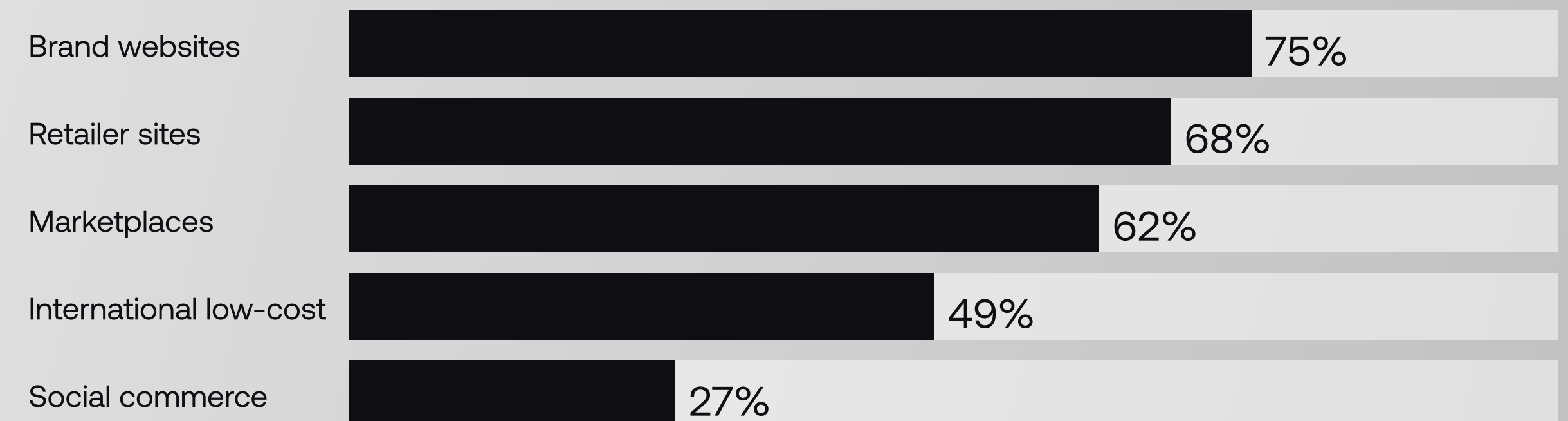
At 26.9%, social commerce is the smallest of the five platform categories - but it's growing fast and the infrastructure around it is evolving rapidly. TikTok

Shop, WhatsApp Commerce and Instagram Shopping are all accelerating in South Africa, turning social media feeds into shoppable storefronts.

The payments implications are significant. Social commerce embeds the entire purchase journey - discovery, consideration and checkout - inside a single app. That changes the payment method mix: consumers expect frictionless, in-app payment flows rather than being redirected to external checkout pages. The platforms that win in social commerce will be those where checkout is invisible, completed in one or two taps without leaving the conversation or feed.

This is also where the next wave of agentic commerce intersects with social. As AI agents become capable of transacting within messaging and social platforms on behalf of consumers, the payment layer inside these apps needs to be programmable, not just human-driven. Businesses building for social commerce today should think about embedded checkout, API-first payment infrastructure and machine-readable product catalogues - the same foundations that agentic commerce requires.

Where customers prefer to shop online
(multiple responses permitted)



The omnichannel consumer

Consumers don't think in channels. They browse online to narrow their options, then visit a physical store to see, touch or try the product before buying. The reverse is equally common: encountering a product in-store, then going online to compare prices and read reviews. In our 2025 report, 64% of online shoppers checked availability online before visiting a store, and 40% ordered online for in-store collection. The line between online and offline is already gone for most consumers.

This omnichannel behaviour shows up in the BNPL data too: 48.7% of consumers want Buy Now Pay Later available both online and in-store. For categories like groceries, electronics and clothing, where both online convenience and physical inspection matter, a unified commerce platform that gives retailers a single view of all transactions across channels is no longer a nice-to-have - it's the infrastructure that omnichannel behaviour demands.



“I don't like walking around in a store not knowing what I'm looking for. I'd rather go online first, decide and then go in just to check.”

– Consumer interview participant

“I still prefer in-store – I can see who I'm paying and I get my receipt.”

– Consumer interview participant



“I check online first to compare prices and read reviews, then go to the shop to see the product in person.”

– Consumer interview participant

“For me the website remembers my preferences, searches and of course payment details. It really is a smooth experience.”

– Consumer interview participant



WHAT THIS MEANS FOR BUSINESS

Direct brand websites lead at 74.6%

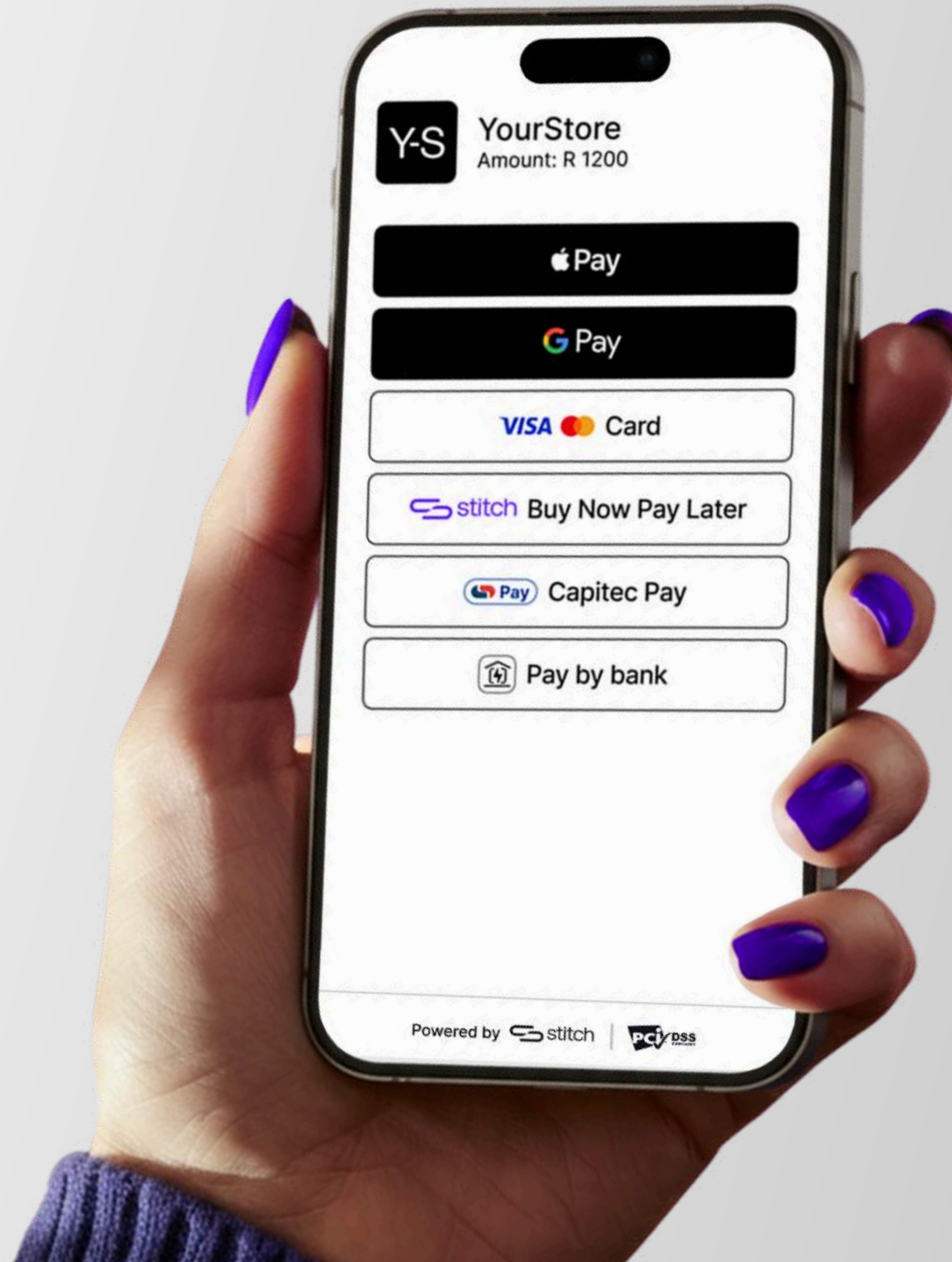
Invest in your own digital storefront, not just marketplace listings. But with the rise of agentic commerce, your storefront also needs to be machine-readable: structured product data, clean metadata and API-first checkout so AI agents can discover, compare and transact on behalf of consumers

International platforms at 48.5% mean SA merchants face global price competition.

But these platforms typically use card-only checkout. The opportunity for SA merchants is to offer superior local payment methods - Capitec Pay, Apple Pay, VRP - as a competitive moat that international platforms cannot access. Local merchants have a payments advantage if they use it.

Your online and in-store experiences are the same journey to consumers.

Payment methods, pricing and availability should be consistent across channels, or you risk losing the sale at the point of decision.



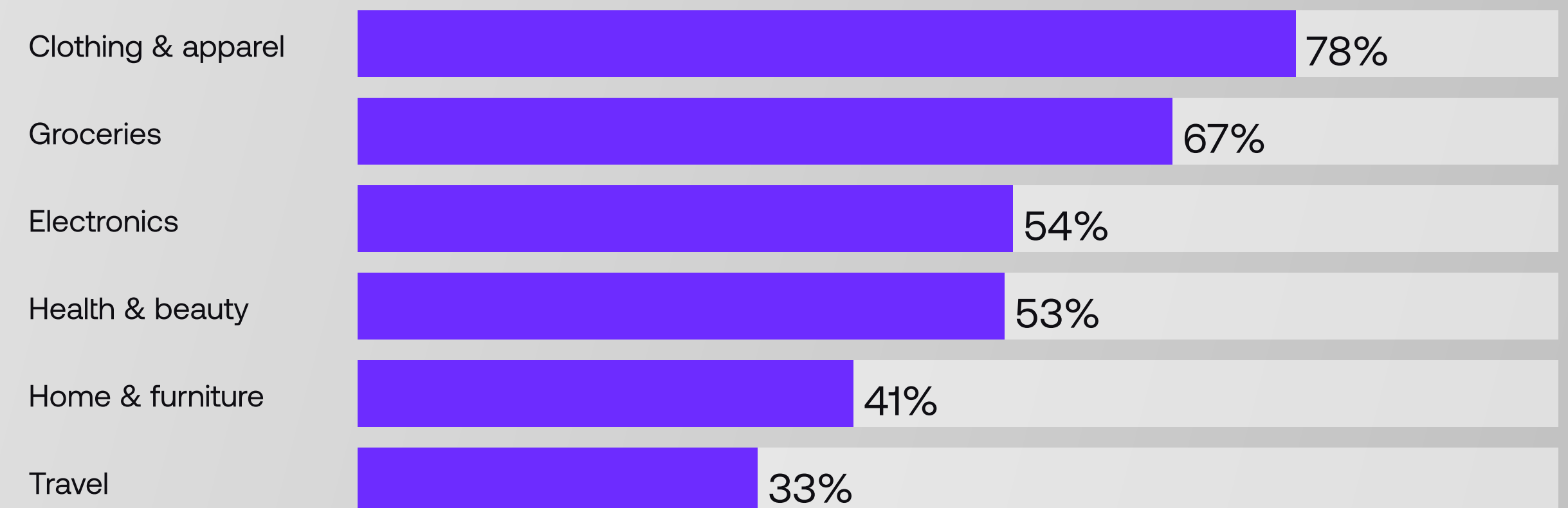
What South Africans buy online: clothing dominates, groceries are mainstream

Clothing and apparel is the most commonly purchased online category by a significant margin. But the real story is the breadth: more than half of online shoppers are buying electronics, health and beauty products and groceries through digital channels.

Year-on-year context:

In the 2024 report, household goods saw the largest year-on-year jump at +34 percentage points (43% → 77%). Groceries grew from 71% in 2023 (food & beverage) to 84% in 2024. The 2026 figure of 67.8% reflects a different question framing, but there is a clear trajectory: South Africans increasingly treat online channels as their primary shopping destination across categories.

Top online shopping categories
(multiple responses permitted)




On-demand delivery is reshaping how South Africans buy everyday goods

On-demand delivery has become one of the most significant forces driving online shopping growth. Platforms like Checkers Sixty60, Mr D and Woolworths Dash have transformed how South Africans buy groceries, household essentials and food. What was once a convenience is now a habit.

Our data shows groceries at 67.8% of online shopping categories, making it the second most-purchased category online. But the qualitative research reveals something deeper: consumers aren't just ordering groceries online for convenience. They're integrating on-demand delivery into their weekly routines, ordering multiple times per month and increasingly expecting delivery within hours rather than days.

This shift has significant implications for payments infrastructure. On-demand delivery creates high-frequency, variable-amount transactions, the kind of payment flow that traditional card-based checkout wasn't designed for. A grocery order might cost R350 one day and R1,200 the next, with substitutions changing the final amount after checkout.

This is exactly the challenge that **Variable Recurring Payments (VRP)** are designed to solve. VRP allows customers to authorise a merchant to collect variable amounts from their bank account within agreed limits, eliminating the need for re-authentication on every order while keeping customers in control of their spending.





"I use Checkers Sixty60, Pick n Pay... those are part of my online shopping behaviour now. It's not just like clothing or 'nice-to-have' things. It's everyday life. It's convenience."

– Consumer interview participant

Food-wise, we shop online every day. The Checkers one is really good. Very efficient, always in stock, always communicating. We get a lot of our fresh produce from Checkers and Woolies."

– Consumer interview participant





"I do grocery shopping online a lot — Woolies, Checkers Sixty60 — almost every day or every second day."

– Consumer interview participant

"Apple Pay is so easy. You just scan your face and click twice and I do not have to go every time and put in my card details. Not all places that I shop at already have Apple Pay... that annoys me."

– Consumer interview participant






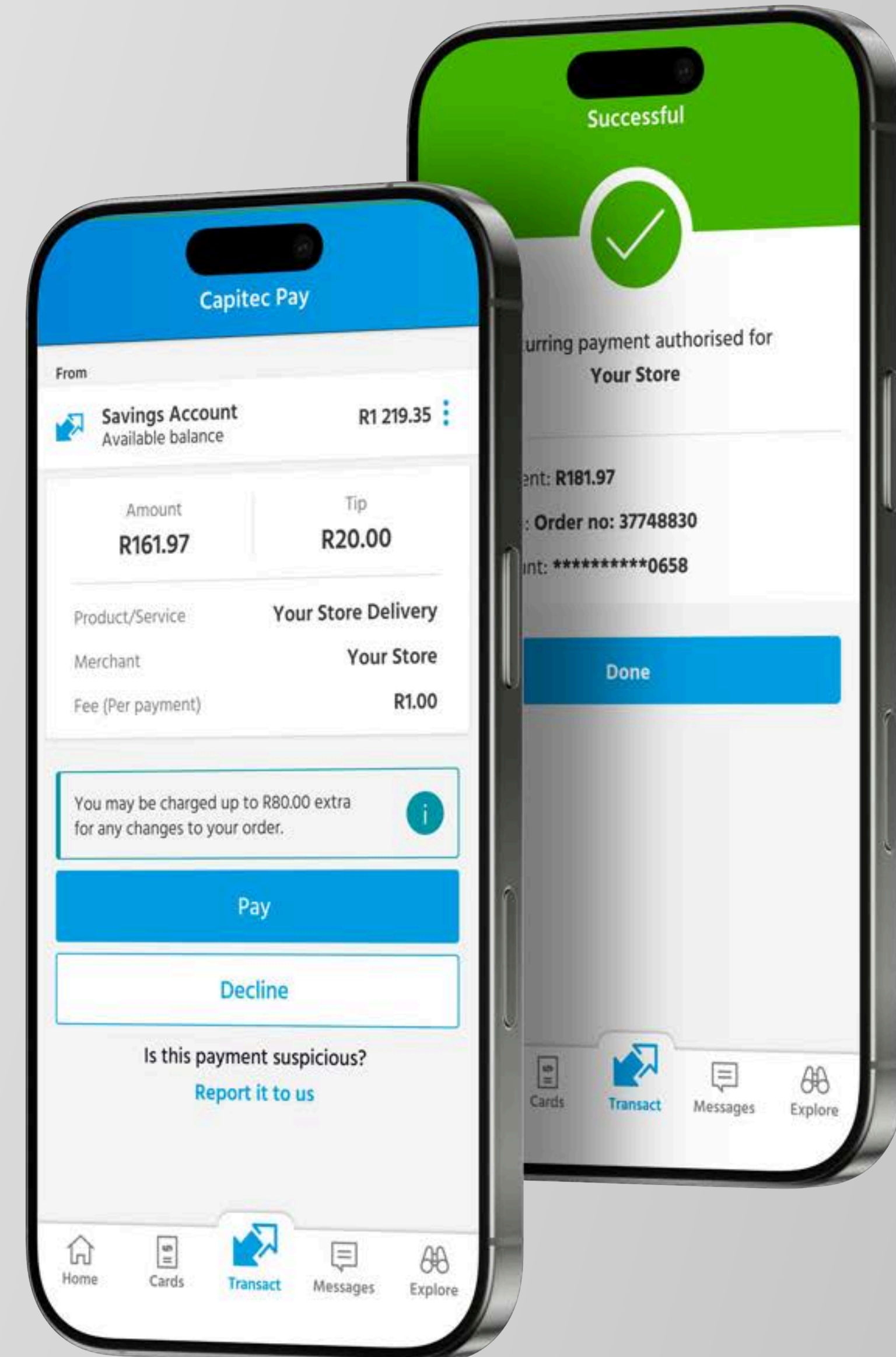
First in South Africa

A leading on-demand grocery platform recently launched Capitec Pay VRP through Stitch, the first implementation of Variable Recurring Payments in South Africa. Customers can now pay for deliveries directly from their Capitec account, with variable amounts collected automatically within customer-consented limits. Early results show VRP outperforms standard bank-native methods on success rates, demonstrating that removing re-authentication friction directly improves payment outcomes.

For on-demand delivery platforms, this represents a step change in checkout efficiency: fewer failed payments, faster settlement, and a frictionless experience for repeat customers. For the broader market, it signals where payments innovation is heading: toward flexible, bank-native flows that match how consumers actually spend. ([Read more about VRP by Stitch →](#))

WHAT THIS MEANS FOR BUSINESS

- 
On-demand delivery is the fastest-growing segment of online commerce.
 Businesses like Mr D, Checkers Sixty60, Woolworths and Ackermans are investing heavily in delivery infrastructure, and the payments experience is a critical part of that stack.
- 
Variable-amount, high-frequency transactions need flexible payment methods.
 Traditional card checkout with per-transaction authentication creates friction that reduces repeat usage. VRP and bank-native payment flows eliminate this.
- 
Logistics providers must keep pace.
 Companies like The Courier Guy and others in the delivery ecosystem face the same challenge: as consumer expectations for speed increase, the payments and fulfilment infrastructure must scale together.



Section 02

The evolving payments landscape



SECTION 02

THE PAYMENTS LANDSCAPE IS FRAGMENTING, AND THAT'S A GOOD THING

Debit cards still lead, but the methods behind the transaction are multiplying rapidly.

Payment preferences vary dramatically by purchase type

There is no single dominant payment method in South Africa anymore. What consumers choose depends on what they're buying, where they're buying it, and how much it costs. Debit cards lead across all categories, but their margin is shrinking as bank-native and alternative methods gain ground.

Key insight

Capitec Pay has become the second most preferred payment method across every purchase category: groceries, online and large purchases. Capitec Pay launched in March 2023. Its growth since launch has been remarkable, reaching 24.6% preference for online purchases in just three years. For merchants, the implication is clear: bank-native payment methods are no longer niche.

Year-on-year context

Previous reports asked about "card" broadly, while this year's survey specified "debit card" as a category. Sample sizes have also varied across years (n=300 in 2023, n=350 in 2024, n=2,000 in 2025, n=3,000 in 2026). With those caveats, the directional trend is consistent: card preference as a category has been gradually declining as pay by bank and other alternatives gain traction. Pay by bank grew from 36% (2023) to 44% (2024) to 45% (2025) and continues to grow.

Preferred payment method by purchase type (top 5)

Rank	Groceries	Online purchases	Large purchases
1	Debit card — 51.3%	Debit card — 39.7%	Debit card — 25.3%
2	Capitec Pay — 15.1%	Capitec Pay — 24.6%	Capitec Pay — 21.7%
3	Cash — 10.2%	PayShap — 8.5%	Credit card — 19.1%
4	PayShap — 6.6%	Pay by bank — 8.2%	Pay by bank — 11.4%
5	Pay by bank — 6.7%	Credit card — 8.0%	BNPL — 8.0%

New payment methods adopted in the past 12 months

More than nine in ten respondents tried something new in the past year, and one-click wallets like Apple and Google Pay led the charge.

From our 2025 report

In our [2025 Consumer Payments Report](#), more than 90% of respondents said they had tried a new payment method, and that trend has only accelerated. When merchants launched Apple Pay through Stitch Express, more than 25% of customers chose it immediately, with transaction success rates of nearly 96% compared to 80% for card. [Read more](#)

Stitch platform data

The survey data tells us that consumers want digital wallets. Stitch platform data confirms they are using them. In Q1 2026, **Apple Pay became the single most-used payment method for e-commerce transactions** processed through the Stitch platform, surpassing both traditional card payments and other digital wallet methods by volume. For e-commerce merchants, digital wallets are now the primary way a growing share of customers prefer to pay. They are the primary way a growing share of customers prefer to pay.

Payment method shares: what consumers actually use

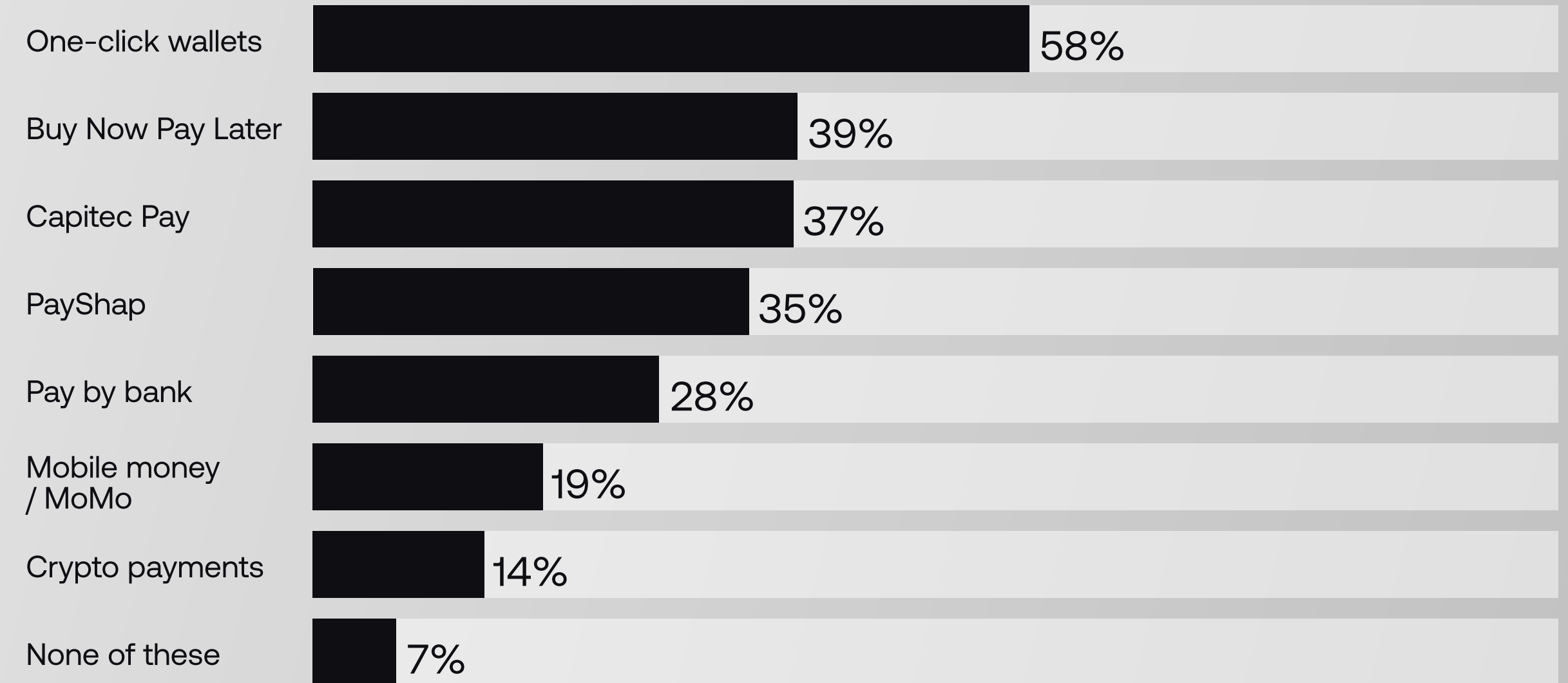
Survey responses show what consumers say they prefer. Stitch transaction data shows what they actually use. Across all transactions processed through the platform, Capitec Pay accounts for around 40% of total payment value, making it the single largest payment method by a significant margin. Card-based payments (including traditional card, Apple Pay, Google Pay and Samsung Pay) collectively account for 35.1% of value.

Within that group, Apple Pay alone represents 16.3%, which is larger than traditional card online at 15%. Pay-by-bank transfers (instant EFT) make up 8.6% of value, reflecting their continued role for higher-value transactions where consumers prefer direct bank transfers.

93.3%

93.3% of South African consumers tried a new payment method in the past 12 months

New payment methods adopted in the past 12 months (multiple responses permitted)



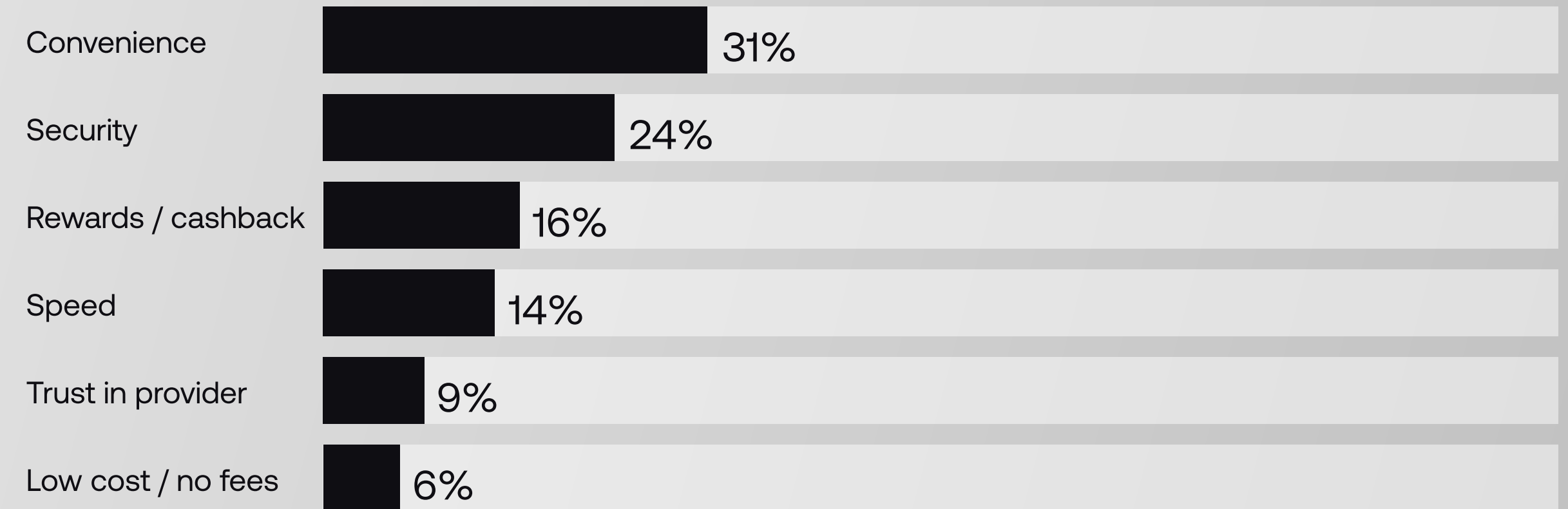
One-click wallets include Apple Pay, Google Pay, Samsung Pay.

What drives payment choice: convenience first, security second

When consumers are asked what matters most in choosing a payment method, convenience wins. But security is a close second, and for merchants, the gap between the two is narrowing.

Platforms like Stitch enable businesses to accept all major SA payment methods — card, Pay by bank, Capitec Pay, Apple Pay, Google Pay, Samsung Pay, BNPL, DebiCheck/debit order, and more — through a single integration. In a market where 93.3% of consumers tried a new method this year, offering a single payment option at checkout means losing customers to merchants who offer more.

Primary factor driving payment method choice



WHAT THIS MEANS FOR BUSINESS

93.3% tried a new method.

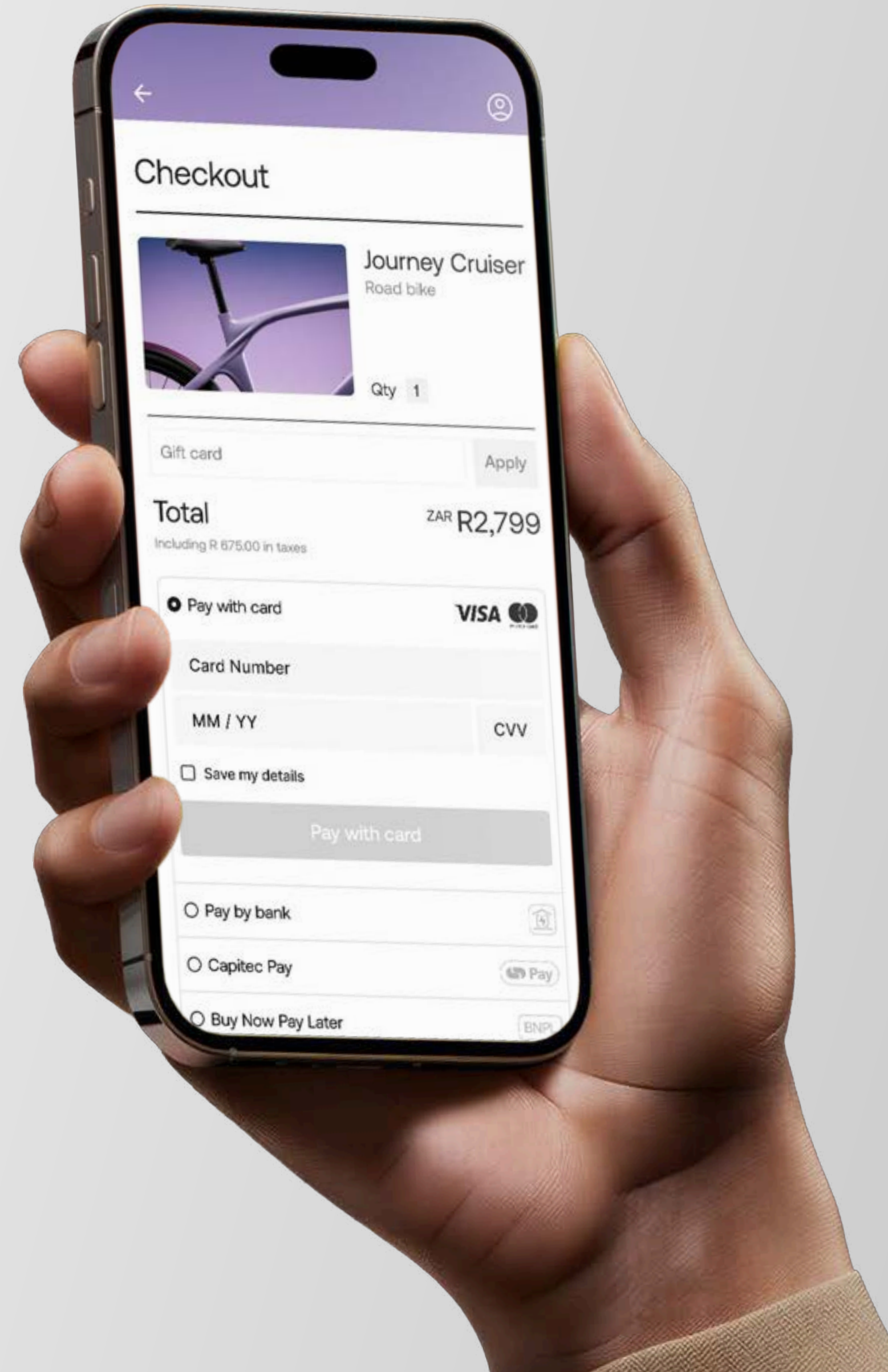
One-click wallets led at 57.5%, followed by BNPL (38.9%) and bank-specific apps (38.6%). The data suggests consumers are actively seeking faster, more integrated checkout experiences. Businesses that surface the right payment method at the right moment in the purchase journey will convert at higher rates.

Capitec Pay at 24.6% for online shopping means bank-native methods are mainstream.

Absa Pay, Nedbank Direct and PayShap are also in market. Merchants who integrate bank-native payment options across providers position themselves to capture this shift.

Convenience is the #1 factor driving payment choice (31.1%)

Security is close behind at 23.6%. The checkout experience must deliver both.



Section 03
The rise of Buy Now Pay Later
and consumer credit



SECTION 03

BUY NOW PAY LATER IS MOVING FROM CHECKOUT TOOL TO EVERYDAY PAYMENT METHOD

Nearly four in ten consumers tried BNPL for the first time this year. For credit-active consumers, it's already routine.

Among credit-active consumers, BNPL usage is the norm

Among consumers who use some form of credit, 71% use BNPL at some frequency, with nearly 17% using it frequently. For digitally active, credit-engaged South Africans, BNPL has become part of the everyday payment toolkit.

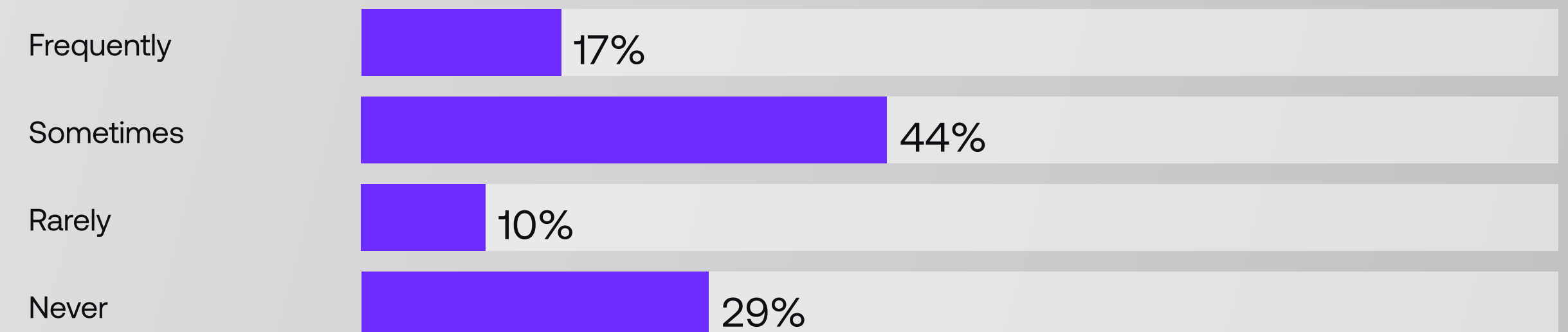
Market context

The South African BNPL market is expected to reach \$1.1 billion in 2026, according to [GlobeNewsWire](#), with the broader Africa-wide BNPL market projected at \$16.8 billion by 2029. This data reflects digitally active consumers who use some form of credit. In our [2025 report](#), 55% of the broader population said they never use BNPL. The gap suggests BNPL adoption is concentrated among digitally active, credit-engaged consumers, a segment that is growing rapidly.

38.9%

38.9% of consumers tried Buy Now Pay Later for the first time in the past 12 months

Among credit-active consumers, BNPL usage is the norm

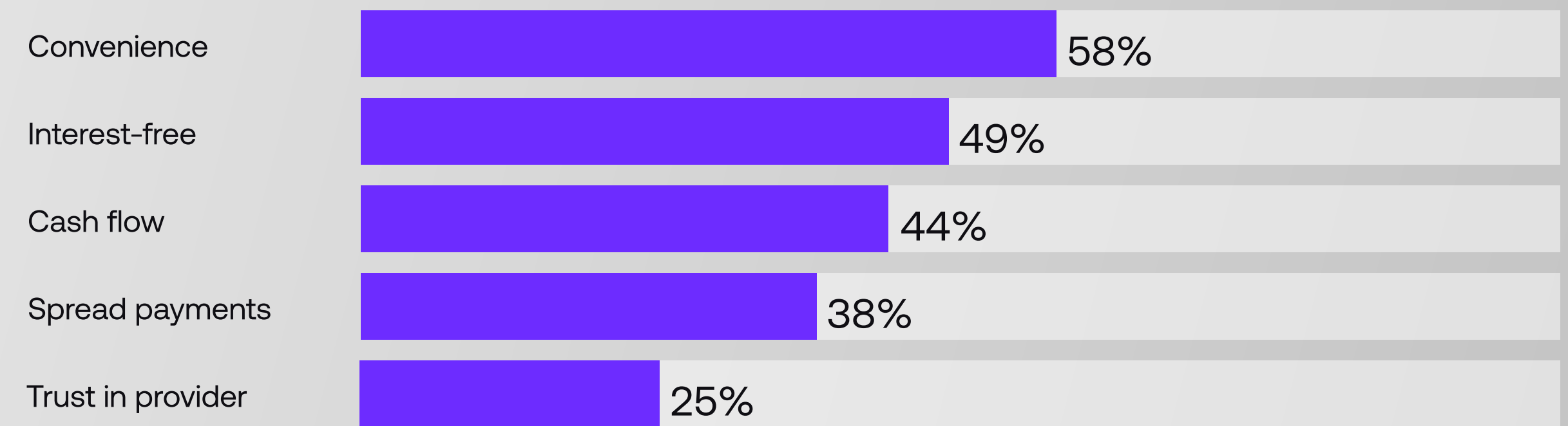


BNPL engagement varies by income, but it's not a low-income story

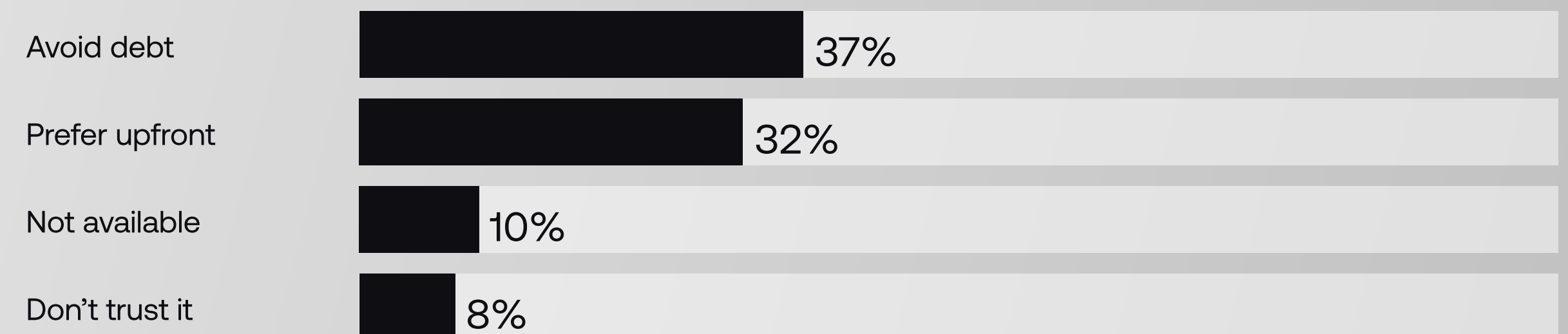
The highest BNPL engagement is among the Realised Middle (R25k–R50k household income) at 69.6%. The Mass Market shows the lowest engagement at 54.1%, while the Elite segment shows 62.9% engagement, but with higher "Rarely" rates, suggesting occasional rather than habitual use.

An industry participant from a large national retailer noted that this middle-income segment is under growing financial pressure, with less liquidity in the system and visible changes in spending patterns over the past 12 months. Consumer payment behaviour is becoming more deliberate and volatile, making flexible, responsive payment solutions increasingly important for this segment.

Reasons for using BNPL



Reasons for avoiding BNPL



The tension in these quotes is the story. BNPL solves real, immediate problems for consumers, but its association with debt remains a significant barrier.

“It is interest-free. That is the best part.”

– Consumer interview participant



“Sometimes you need something now — like your child needs shoes or you need groceries — and you don't have enough at that moment. So when they say 'pay later', you feel like you can solve the problem now.”

– Consumer interview participant

“I had the full amount, but I didn't want to use all my money. So I split the payment.”

– Consumer interview participant



“When I hear buy now, pay later, what comes to mind? Problems.”

– Consumer interview participant

BNPL as financial inclusion infrastructure: a conversation on the *Between the Seams* podcast

In a recent episode of the *Between the Seams* podcast by Stitch, Junaid Dadan (President and Co-founder of Stitch) and Ashish Aggarwal (Partner at PayPal Ventures) explored why BNPL in South Africa looks fundamentally different from BNPL in Western markets.

In mature markets like the US or UK, BNPL is primarily a conversion tool: a way to reduce cart abandonment and increase average order value. In South Africa, it plays a much deeper role. For millions of consumers who are creditworthy but data-poor, BNPL acts as a bridge into the formal financial system.

The key insight from the conversation is that BNPL is evolving from a simple "four-pay" instalment product into what Dadan and Aggarwal describe as "embedded trust": an invisible credit layer inside the merchant checkout, powered by local data such as bank-to-bank transaction history. Rather than relying on traditional credit bureau scores, this approach uses real financial behaviour to assess affordability.

This reframes BNPL for the South African market. The shift is from affordability to access: consumers aren't just splitting payments because they can't afford the full amount. They're using BNPL because it's the most accessible entry point into digital commerce and formal credit. For merchants, this means BNPL integration serves a dual purpose: it increases conversion today and helps build a financially included customer base for tomorrow.

Listen to the full conversation

The *Between the Seams* podcast by Stitch explores the infrastructure behind payments, commerce and financial inclusion in Africa.

[Listen at stitch.money/podcast](https://stitch.money/podcast) →

“What's fundamentally interesting about Buy Now Pay Later is it bridges a critical gap in consumer trust and affordability at the exact moment of intent. It's changing how people view their purchasing power on a day-to-day basis.”



Junaid Dadan
President and Co-founder



“The first successful BNPL transaction does something remarkable. It verifies the consumer for all other financial products. BNPL becomes the top of the funnel for financial inclusion.”



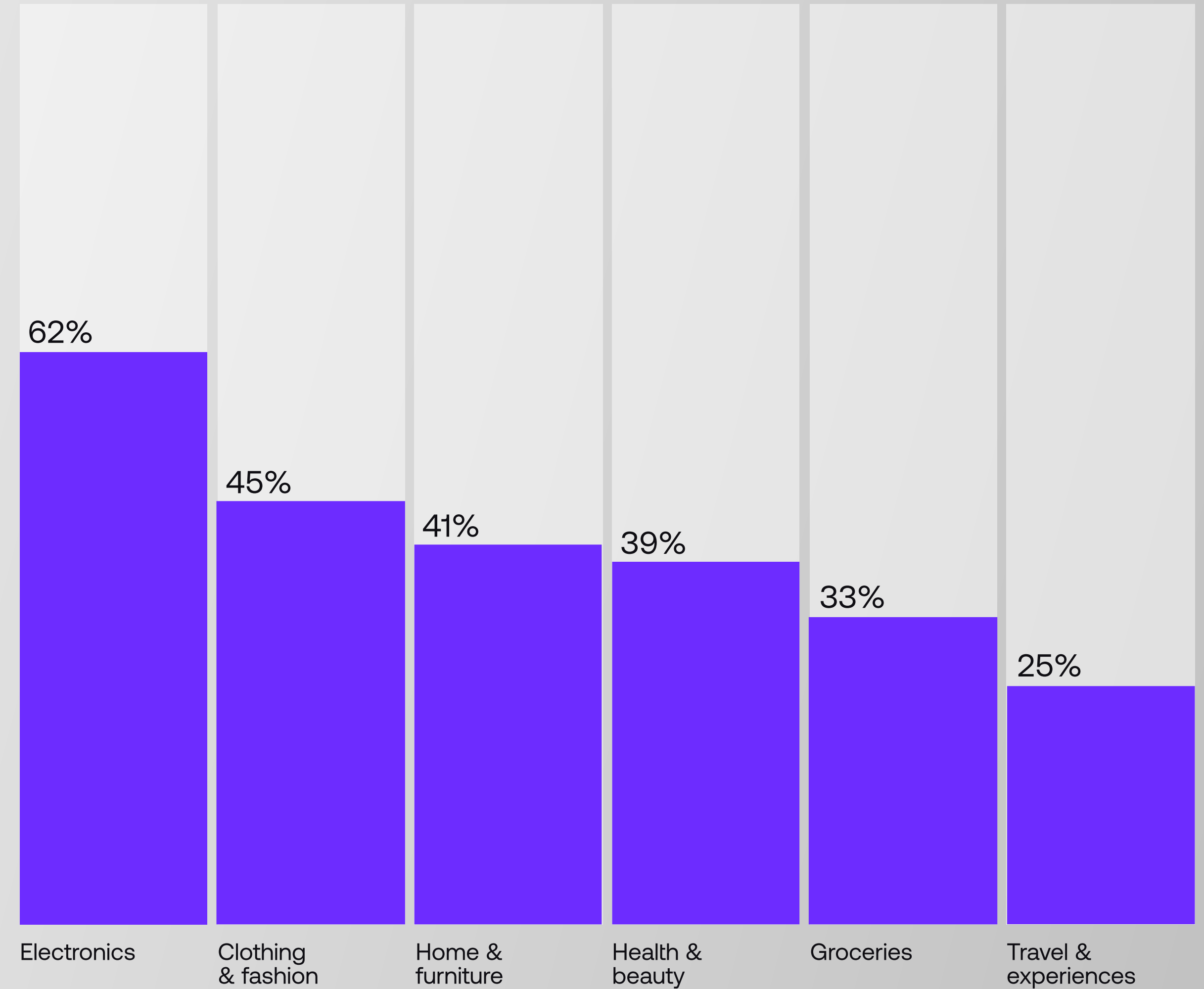
Ashish Aggarwal
Partner



What BNPL is used for: electronics lead, and groceries enters top 5

Electronics remains the top BNPL category, but clothing & fashion is a clear second, chosen by 45.4% of BNPL users. The spread across six categories shows BNPL is no longer confined to big-ticket purchases: from fashion to groceries, consumers are integrating flexible payments across their entire shopping basket.





Categories where BNPL usage is growing

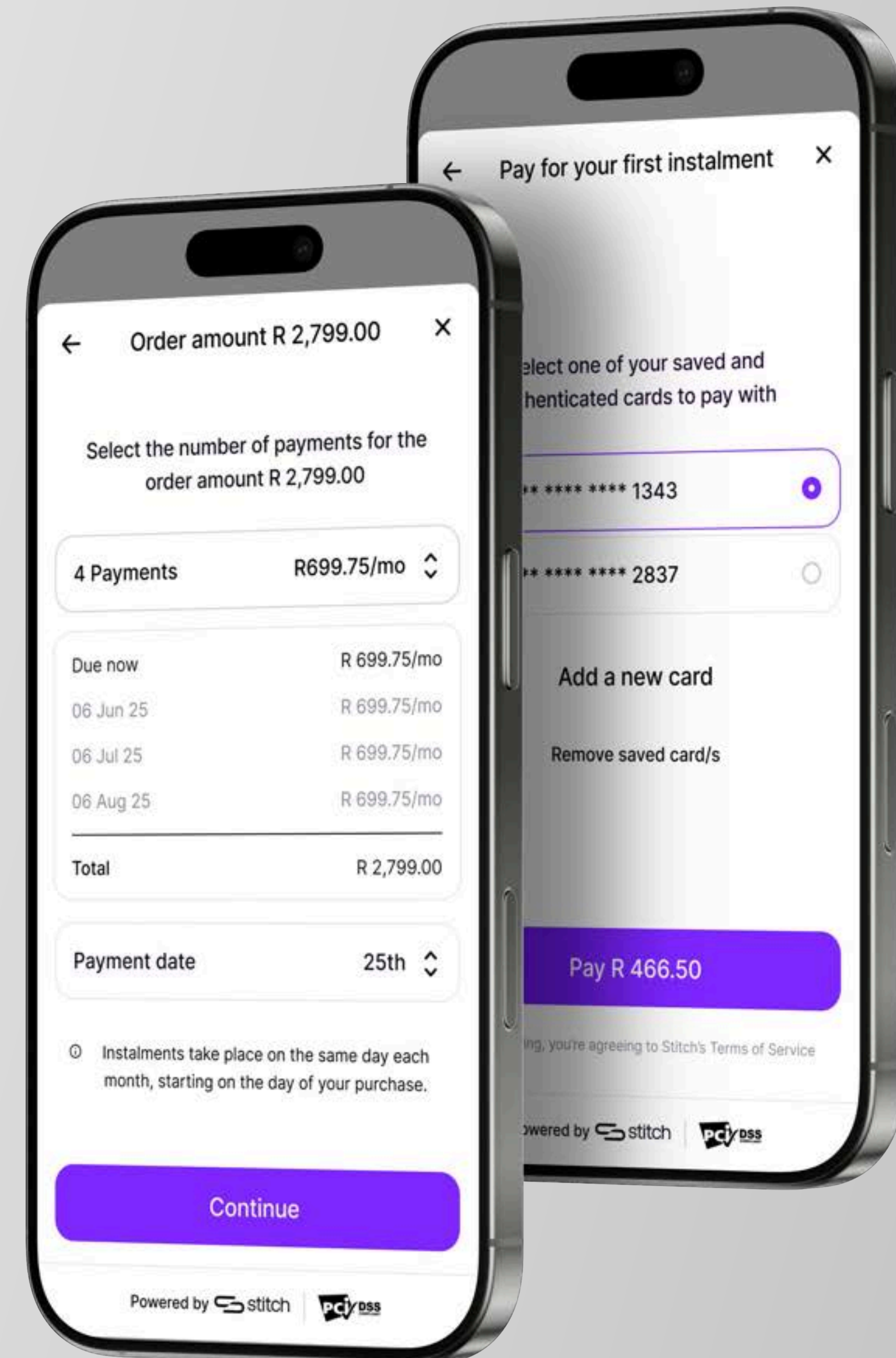


Consumers want BNPL everywhere: online and in-store

Nearly half of consumers (48.7%) want BNPL available both online and in-store, a clear mandate for omnichannel BNPL experiences. Only 15% prefer online-only, and 7.3% want in-store only.

WHAT THIS MEANS FOR BUSINESS

- 
48.7% want BNPL both online and in-store.
 Omnichannel BNPL is an unmet demand. First movers gain a conversion advantage that will be difficult for late entrants to recover.
- 
Electronics and home & furniture lead BNPL categories.
 Merchants in these verticals should prioritise BNPL integration as a core checkout option, not an afterthought.
- 
Clothing & fashion at 45.4% of BNPL users makes fashion retailers a prime BNPL integration opportunity — particularly given clothing is also the #1 online shopping category overall.
- 
Groceries in the top five BNPL categories signals that BNPL is normalising for routine purchases. Retailers across categories should evaluate BNPL as a payment method, not just a financing product.



Section 04 Building trust at checkout



SECTION 04

TRUST IS BUILT AT THE CHECKOUT, AND LOST WHEN PAYMENTS FAIL

What makes consumers trust brands and payment experiences when shopping, and why reliability matters more than marketing.

Trust is the invisible infrastructure of commerce

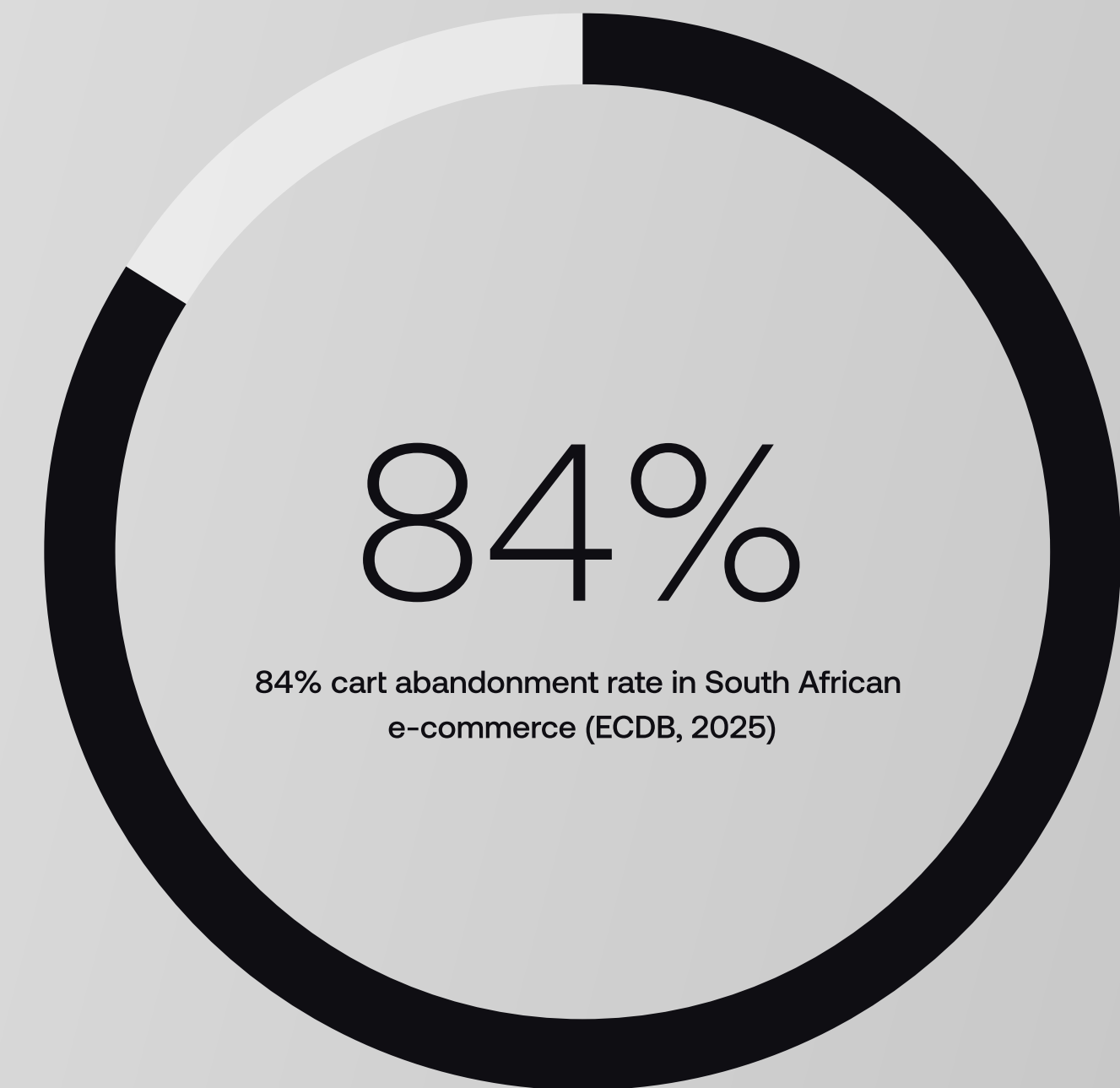
South African consumers are pragmatic about trust. They trust brands because of experience: recommendations from friends, consistency at checkout and the certainty that their money is safe.

In our 2024 Consumer Perspectives on E-Commerce Report, three of the top six factors influencing platform choice were directly payment-related; ease and security of payment ranked more important than price. The checkout experience is not the end of the shopping journey. For many consumers, it is the deciding factor.

According to [ECDB data](#), the cart abandonment rate in South African e-commerce reached as high as 84% in 2025, meaning that for every 100 shoppers who add an item to their cart, only 16 complete the purchase. And the consequences extend beyond the immediate loss: in our [2025 Consumer Payments](#)

[Report](#), approximately 62% of consumers who experienced a payment failure did not return to complete the transaction. A Mastercard study cited in that report found that declined card transactions are the single biggest cause of cart abandonment, accounting for approximately 52.2% of lost online sales. Payment reliability is a direct revenue concern. Every failed transaction is a customer who may never come back.

The cost of checkout friction and payment failure



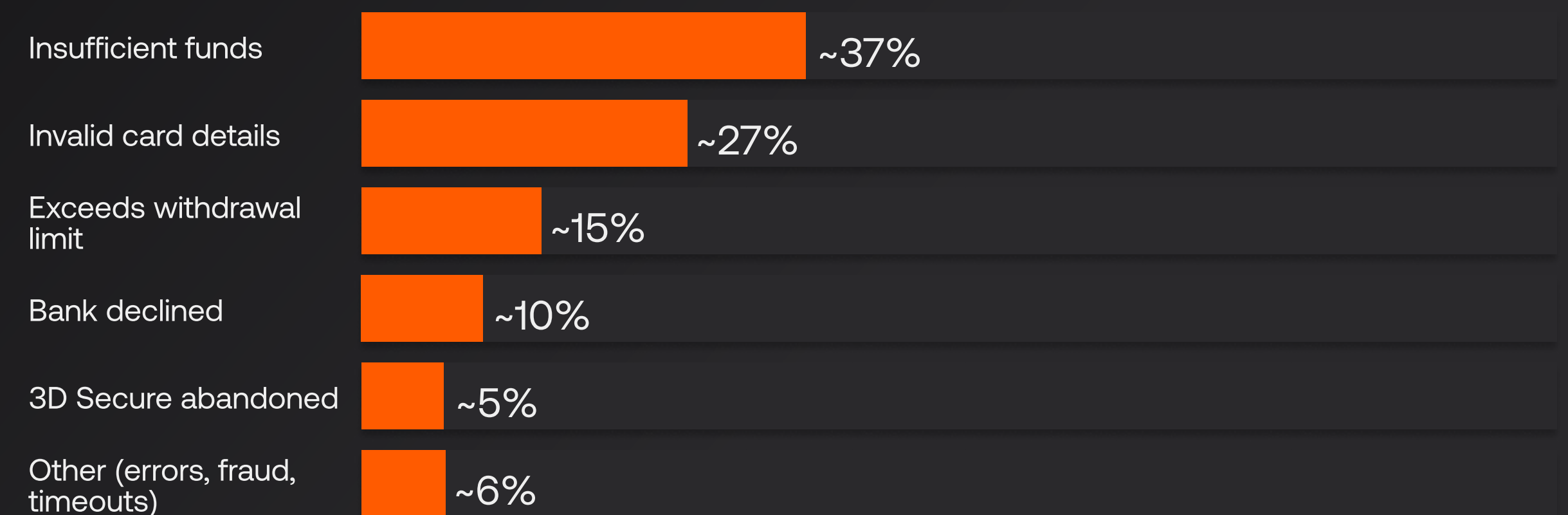
Stitch transaction data: when payments fail

Stitch transaction data reveals a clear monthly pattern in payment failures due to insufficient funds. The 1st of the month is the peak day for failed transactions, driven by recurring subscriptions and debit orders that attempt to collect before salary deposits have cleared. Failure rates remain elevated through days 2 to 6 as more automated payments attempt collection. By mid-month (around days 14 to 16), insufficient funds failures drop to their lowest point. The average value of failed transactions stays consistent throughout the month, meaning the issue is timing rather than transaction size. For merchants relying on recurring billing, scheduling collection attempts for later in the first week, rather than the 1st, could meaningfully reduce failure rates.

Why online card payments fail: the compounding friction problem

Stitch platform data from Q1 2026 shows that nearly 1 in 4 online card payment attempts don't convert to a successful transaction. Cards aren't broken - but the online card checkout flow stacks multiple friction points on top of each other, and each one is a potential drop-off.

Breakdown of non-successful card payment attempts
(Q1 2026)



Source: Stitch platform data, Q1 2026. Percentages represent share of non-successful card attempts.

The consumer needs to have funds, enter card details correctly, stay within limits, and complete 3D Secure authentication. Each step is a potential drop-off. Bank-native payment methods bypass almost all of these friction points: no card details to mistype, no 3DS step, real-time balance visibility, and direct bank authorisation. The result is approximately 20 percentage points higher success rates.

~30%

of card failures are caused by friction that bank-native methods eliminate entirely: wrong card details, expired cards, typos and 3D Secure drop-off. The consumer wanted to pay - the checkout got in the way.

“Capitec Pay just makes it easier. I don't have to enter my card and I trust my bank.”

– Consumer interview participant



“I used Apple Pay and it was super quick — no typing, no waiting.”

– Consumer interview participant

“Checkouts that let me pay with my bank app are fast and easy. I feel safe because I know the interface.”

– Consumer interview participant



“I don't like platforms where I have to keep entering my details again and again... I prefer something that connects directly to my bank so I can see everything.”

– Consumer interview participant

Security signals: what consumers look for before they pay

Consumers have developed sophisticated mental models for assessing whether a payment experience is safe. The signals they look for are specific, and the red flags are dealbreakers.

Signals that build confidence

59%

value two-factor authentication (2FA)

56%

cite biometric authentication (fingerprint, face ID)

64%

have abandoned a purchase over payment security concerns

Red flags that kill transactions

57%

view unexpected pop-ups or redirects as fraud signals

45%

won't pay with unfamiliar payment providers

52%

of lost online sales are caused by declined card transactions (Mastercard)


The hidden cost of growth: fraud exposure scales with e-commerce


With 91.4% of South Africans shopping online monthly and 76% spending R2,000+, e-commerce growth also means growing fraud exposure. More transactions, more data in motion, more attack surface. The businesses scaling fastest need real-time, embedded fraud prevention built into the payments flow — not bolted on after the fact.


Stitch approach

Stitch offers embedded fraud prevention natively across all payment methods - online card, bank-native, VRP and digital wallets. Real-time, rule-based detection reduces chargebacks and blocks fraudulent transactions without adding friction to the consumer experience. As e-commerce volumes grow, this protection scales automatically.

WHAT THIS MEANS FOR BUSINESS

 **Cart abandonment in SA reaches 84% (ECDB), and 62% of consumers who hit a payment failure don't return.** First-attempt success rate is the most important checkout metric. Invest in retry logic and payment method fallbacks before optimising anything else.

 **Security isn't just about encryption; it's about perception.** 57% view unexpected pop-ups and redirects as red flags. Embedded, seamless payment flows outperform redirect-heavy checkouts on both trust and conversion.

 **Fraud prevention is a growth cost, not an afterthought.** As e-commerce scales, so does fraud exposure. Real-time, embedded fraud detection that doesn't add checkout friction is essential infrastructure, not a nice-to-have.

“I don't like giving my bank info to new platforms.”

– Consumer interview participant



“My bank will block or notify me that it might be fraud. I get scared and cancel the payment.”

– Consumer interview participant

“It was smooth and effortless and made me feel so safe and secure to do the payment due to the fact I had to authorise the payment via my banking app.”

– Consumer interview participant



“I only use methods I know. If it's not FNB or Capitec, I don't trust it.”

– Consumer interview participant

Security signal data from the 2025 Consumer Payments Report (n=2,000, Censuswide). Qualitative signals from 2026 interviews.

Section 05 Cash usage persists



SECTION 05

CASH ISN'T DEAD, BUT IT'S BEING PUSHED TO THE MARGINS

The shift to digital payments is accelerating, but cash still plays a vital role for specific use cases and communities.

Cash and digital serve different needs

The cash-digital divide in South Africa is driven by context. Digital methods dominate for planned purchases, high-value transactions and online shopping. Cash persists where informality, immediacy and privacy matter.

Year-on-year context

Cash usage has fallen 19 percentage points to 38% of retail transactions (Mordor Intelligence, cited in the 2024 report). In our 2025 report, 46% of cash users said they continue using cash because not all places accept digital payments, an access barrier rather than a preference. As digital acceptance expands, cash usage will continue to decline, but the transition will be uneven.

Where digital dominates

	Planned purchases
	Higher-value transactions
	Online and e-commerce
	Subscription payments
	Cross-border purchases

Where cash persists

	Shopping with informal or local merchants
	Avoiding transaction fees
	Small everyday purchases
	Situations where privacy is valued
	Where digital acceptance is limited

“Cash is accepted everywhere. My card? Not always.”

– Consumer interview participant



“Some days there's no signal or electricity. Cash works.”

– Consumer interview participant



“It's easier to track my money when I use cash.”

– Consumer interview participant



“Cash gives me control. For things like alcohol, I don't want to pay with my bank card.”

– Consumer interview participant

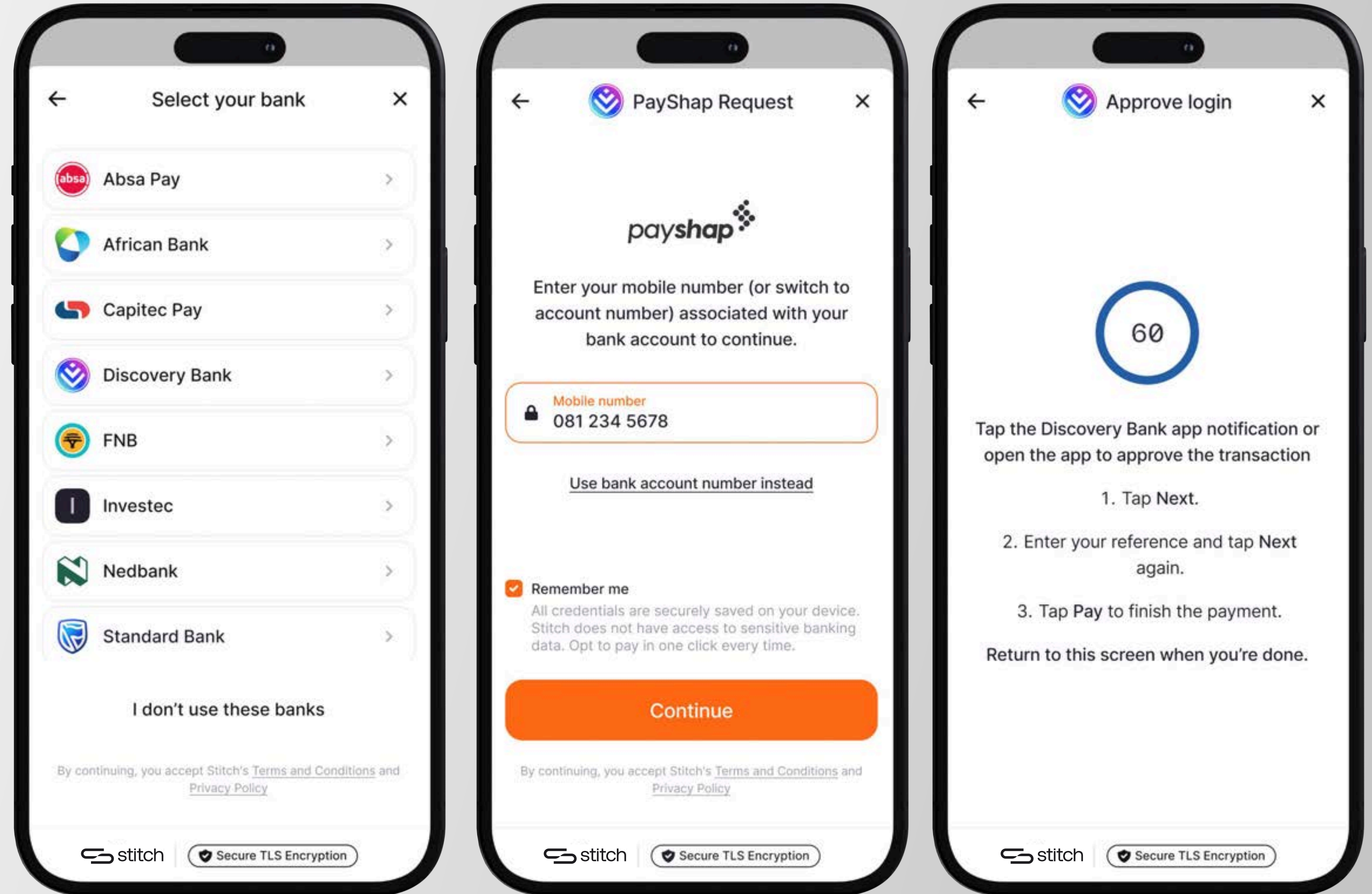


Cash survives because it solves specific problems that digital payments don't yet address: privacy, zero fees and universal acceptance in informal markets. For merchants, the strategic question becomes how to ensure digital payments are so convenient consumers choose them over cash by default.

Notably, an industry participant highlighted that demand for convenience extends across income segments. Lower-income consumers demonstrate strong demand for convenience, often developing informal or community-based solutions to meet this need. This challenges the common assumption that convenience-driven behaviour is primarily a higher-income phenomenon, and points to an opportunity for inclusive digital payment solutions that formalise and support these existing behaviours.

Security signals: what consumers look for before they pay

Consumers have developed sophisticated mental models for assessing whether a payment experience is safe. The signals they look for are specific, and the red flags are dealbreakers.



Section 06
Five trends that will define
South African commerce



SECTION 06

FIVE TRENDS THAT WILL DEFINE SOUTH AFRICAN COMMERCE

What the data tells us about where the market is heading, and what businesses should prepare for.

01

THE OMNICHANNEL IMPERATIVE

48.7% of consumers want BNPL available both online and in-store. But this finding extends beyond BNPL: consumers increasingly expect consistent payment experiences across every channel. Retailers who offer different payment options online versus in-store are creating friction, and losing sales at the point of decision.

02

THE INTERNATIONAL PLATFORM CHALLENGE

48.5% of South African online shoppers now use international low-cost platforms like Temu and Shein. These platforms compete primarily on price, a game that local merchants cannot win at scale. The local differentiator will be payments experience, delivery speed and trust. Merchants who invest in seamless checkout and flexible payment options create a moat that cross-border platforms cannot easily replicate.

03

BANK-EMBEDDED PAYMENTS SURGE

Capitec Pay went from non-existent to 24.6% share for online purchases in under three years, and other banks have followed: Absa Pay, Nedbank Direct and PayShap are all in market. Bank-native payment methods are fragmenting the traditional card duopoly. Merchants who integrate across bank-native providers will capture share from those who rely solely on card rails.

04

BNPL MOVES FROM CHECKOUT TO LIFESTYLE

Groceries are now a top-four BNPL category. The shift from big-ticket tool to everyday payment method is underway, and it has significant implications for merchants in categories that never previously considered BNPL. Meanwhile, on-demand delivery is driving demand for flexible payment infrastructure: The launch of [Capitec Pay VRP through Stitch](#), the first Variable Recurring Payments implementation in South Africa, signals where everyday commerce payments are heading: bank-native, flexible and frictionless.

05

AGENTIC COMMERCE AND AI-MEDIATED SHOPPING

South African consumers are already using AI tools in their shopping journeys. The rise of agentic commerce, where AI agents research, compare and transact on behalf of consumers, will reshape how products are discovered and purchased. The businesses that prepare now, with structured product data, API-first payment infrastructure and AI-optimised content, will be positioned to capture this next wave of commerce.

The rise of agentic commerce: AI is already in the shopping journey

Agentic commerce, where AI agents autonomously research, compare and initiate purchases on behalf of consumers, is not a theoretical future. For South African consumers, it's already starting.

In South Africa, 31–34% of the population are already active users of ChatGPT, for use cases ranging from research to purchase decisions. In our qualitative research, participants described using ChatGPT for budgeting and financial planning. Focus group participants mentioned using AI to check product authenticity and compare product information before making a purchase.

Global signal

According to a study by Shopify, AI-referred shoppers convert at nearly 50% higher rates and carry 14% higher average order values than organic search. (Shopify, May 2026) As AI agents become more capable, moving from research to comparison to transaction, the businesses with structured, machine-readable product and payment data will have a significant advantage. ([Read more: "What is Agentic Commerce?"](#) →)

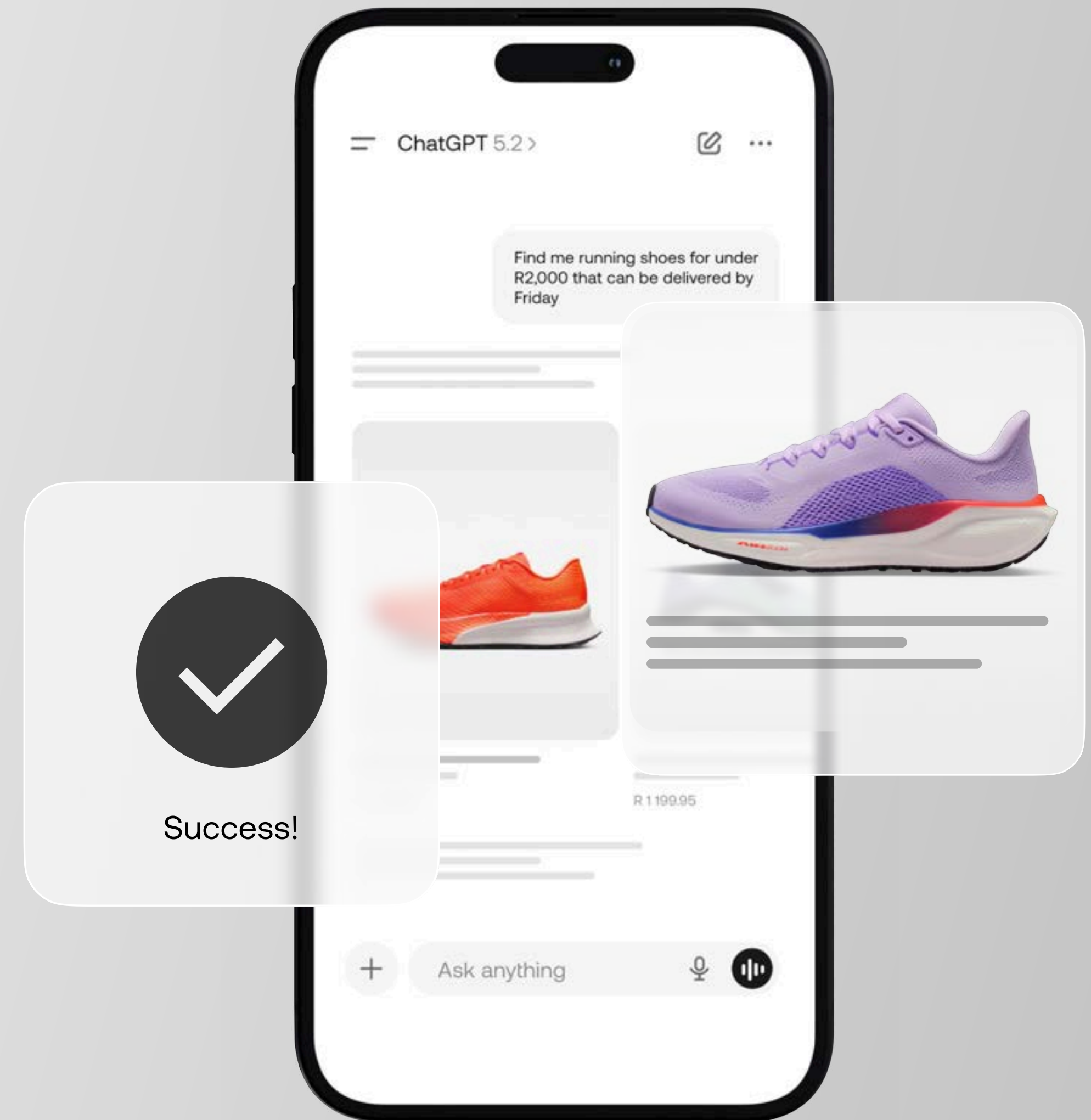
The implications for South African businesses are concrete. When an AI agent recommends a product, it needs to be able to find structured product

information, compare prices programmatically, and complete a transaction via API. Businesses with manual-only checkout flows, unstructured product catalogues, or payment systems that require human interaction at every step will be invisible to agentic commerce.

The API-first payment architecture that Stitch is building, designed for programmatic payment flows rather than just human-driven checkout, is the foundation that agentic commerce requires. As AI agents begin to mediate more commerce, the payment layer needs to be as programmable as the discovery layer.

Preparing for agentic commerce

- Structured product data is the new SEO. AI agents can't recommend products they can't parse. Invest in structured markup, clean product feeds, and machine-readable catalogues.
- API-first payment infrastructure becomes essential. When AI agents transact on behalf of consumers, the checkout needs to be programmatic, not a series of redirects designed for human browsers.
- The businesses that prepare now will capture AI-mediated commerce. Just as early investment in mobile commerce paid off over the past decade, early investment in AI-readiness will define the winners of the next one.





Conclusion

CONCLUSION

WHAT THIS MEANS FOR BUSINESSES OPERATING IN SOUTH AFRICA

South African consumers are shopping more frequently, across more platforms and with more payment methods than at any point in the country's digital history. The data in this report reflects a market in transition, where established habits are being reshaped by convenience, trust and access.

Several themes emerge clearly from the research.

Online shopping is now routine, not aspirational

62.5% of consumers shop online as much or more than they shop in-store. Weekly purchasing is the norm, not the exception. Businesses that treat their online experience as secondary to their physical presence are misreading the market.

Payment diversity is a competitive requirement.

93.3% of consumers tried a new payment method in the past year. Debit card preference for online purchases has declined significantly since 2024, with digital wallets, bank-native apps and BNPL growing rapidly. Offering a single payment method at checkout is no longer a viable strategy for businesses that depend on conversion.

International low-cost platforms are a structural force

48.5% of consumers now shop on platforms like Temu, Shein and AliExpress. This does not replace domestic e-commerce. Consumers use both. But it does raise the bar on price, delivery speed and checkout simplicity for every South African merchant.

BNPL is growing, but education and trust remain barriers

Nearly 55% of consumers use BNPL at some frequency, and demand for broader merchant acceptance is strong. The opportunity for businesses is not just to offer BNPL, but to present it clearly, transparently and across both online and in-store channels.

Trust is the foundation of conversion

64.3% of consumers have abandoned a purchase due to concerns about payment security, and 59% value two-factor authentication. Businesses that invest in visible security measures, transparent communication and familiar checkout experiences will outperform those that do not.

Cash is declining but not disappearing. Cash remains important for everyday, nearby purchases, particularly among lower-income consumers. Digital payments dominate planned spending. The most effective payment strategies will accommodate both, recognising that the transition is behavioural, not just technological.

The South African consumer is becoming more deliberate, more digital and more demanding. The businesses that succeed will be those that build payment and shopping experiences around how consumers actually behave today, rather than how they behaved two years ago.

We hope this research helps inform those decisions.

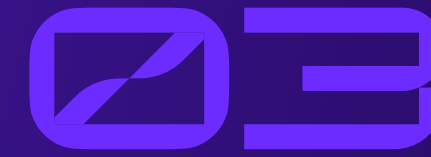
Six takeaways for enterprise

The strategic implications of this research, distilled for business leaders building in South African commerce.



OWN YOUR DIGITAL STOREFRONT, AND MAKE IT AI-READY

Direct brand websites lead all platforms at 74.6%. But with the rise of agentic commerce, your storefront needs to serve two audiences: human shoppers and AI agents. That means structured product data, API-first payment infrastructure, and content that's optimised for AI discovery, not just human browsing.



TREAT PAYMENT RELIABILITY AS A GROWTH METRIC

Cart abandonment in SA reaches 84% (ECDB, 2025), and 62% of consumers who encounter a payment failure don't return (our 2025 report). First-attempt success rate is the single most impactful checkout metric, more important than page speed, design or promotional offers.



INTEGRATE BNPL WHERE IT MATTERS MOST

Electronics, home & furniture, and increasingly groceries are where BNPL drives conversion. The SA BNPL market is expected to reach \$1.1bn in 2026. Omnichannel BNPL is the unmet demand.



OFFER EVERY PAYMENT METHOD THAT MATTERS

93.3% of consumers tried a new payment method this year. Capitec Pay alone captures 24.6% of online purchases. A checkout that only accepts card is leaving revenue on the table.



BUILD FOR OMNICHANNEL, NOT ONLINE-ONLY

Consumers move fluidly between online and in-store. 48.7% want BNPL in both channels. Payment methods, pricing and availability should be consistent wherever the customer is.



PREPARE FOR AI-MEDIATED COMMERCE

31–34% of South Africans already use ChatGPT. AI product recommendations convert at 4.4× traditional search. Structured data and API-first payments are the infrastructure agentic commerce requires.

BUILD BETTER PAYMENT EXPERIENCES

Increase payment success rates, reduce costs and streamline financial operations with Stitch.

SALES@STITCH.MONEY