



TOWNSHIP CUSTOMER EXPERIENCE REPORT



FIELD AND INSIGHTS AFRICA
YOUR TRUSTED PARTNER IN RESEARCH

INTRODUCTION

Townships continue to challenge assumptions. For decades, brands have treated these communities as an afterthought, or worse, applied a single strategy to every township, despite their differences and nuances. With an estimated value of R900 billion in spending power, townships are central to South Africa's economic reality, shaping tastes, trends and expectations that travel far beyond their localities.

This fifth edition of the Township Customer Experience (CX) Report was developed by Rogerwilco in partnership with Field & Insights Africa and MoyaApp. Our 2025 survey engaged 1 600 township residents from all nine provinces, who responded to 31 questions on grocery shopping, brand perception, savings, digital adoption and spending priorities. To deepen this view, we drew on an additional MoyaApp survey of 3 820 township residents, which shows how savings, insurance and banking trends reflect a survival-first reality.

For many households, financial resilience depends on SASSA grants and informal work, with low and irregular income cycles that leave little space for long-term planning. In this environment, financial products are judged on accessibility and relevance rather than sophistication. Funeral insurance remains the most widely adopted product, driven by cultural obligation and the need for certainty in times of crisis. Formal banking, while present, competes with cash transactions and stokvels, with many residents showing greater preference for collective systems of trust over institutions they perceive as distant or complex. New digital banking solutions are gaining ground, but trust continues to sit at the heart of financial decision-making.

This year's theme of Breaking Boundaries reflects how township residents continually do more with less, making careful choices that stretch their rands while building practices and cultures that spread far beyond their own communities. What begins as a local food trend, fashion style or store format often takes root in other townships and then into mainstream culture. The spread is not accidental. It is amplified through smart and often deliberate use of digital platforms where township stories and ideas are shared, reshaped and adopted at scale.

The past year brought significant pressure through food inflation, though township shoppers responded with the same deliberate pragmatism that has become a feature of their behaviour. Four in ten said they switched brands when prices rose, yet this was not a simple race to the bottom. Loyalty was retained where brands offered smaller pack sizes, meaningful rewards or a presence that felt rooted in the community. As we noted in the first report in 2021, shoppers seek out deals, are intentional with their choices and prepared to reward brands that show understanding rather than indifference.

Spaza shops tested this further. The national registration programme placed thousands of outlets under scrutiny, and many were forced to shut temporarily. Instead of fading, they returned stronger. Over 19 000 outlets gained formal recognition - with that came renewed trust as 41% of residents said they felt more confident buying from them, as pointed out in Chapter 1. Beyond convenience, spazas are now being leveraged by manufacturers as neighbourhood sampling hubs, turning everyday shopping trips into gateways for product discovery. They are not marginal but strategic centres where commerce and culture converge in ways that formal retail cannot replicate.

Food and eating out underline how expectations are being set, which is the core theme of Chapter 3. Fast food remains one of the strongest categories in township spend as 73% of residents said they will not compromise on taste. This insistence shapes competition among large chains and independent outlets alike. Township eateries, from kota outlets to full restaurants, now draw visitors from outside their areas, with flavour and experience driving cross-kasi demand. The food economy of the township has become an exporter of culture, setting standards that mainstream brands cannot afford to ignore.

The digital layer makes this spread even faster; a theme that connects Chapters 1, 2 and 4. Findings show that connectivity is no longer a background utility but a foundation of participation in economic life. For higher-spend residents, job hunting ranks as a leading online activity. For others, it is about selling products, learning skills or staying connected to networks that provide opportunity. Women often take the lead in ensuring their households are connected, seeing the internet as an enabler of education and future security. Through platforms like TikTok and Facebook, township life is broadcast beyond its once-imposed borders, turning local businesses and cultural practices into wider points of influence. The same platforms also act as a test of brand credibility. When brands are absent or inactive online - trust quickly erodes.

Chapter 5 highlights how every rand is managed with intent, showing the different ways that households stretch limited resources. Stokvels stand out as one of the most trusted and enduring tools, with participation now at 71%, a 39% increase in just two years, reinforcing their role in financial resilience. Alongside funeral insurance, cash savings and informal lending, they form a layered system that helps households survive irregular income cycles.

This mix of traditional and modern mechanisms shows how financial practices evolve without discarding trusted foundations. Stokvels are not only about saving for groceries or year-end purchases, but about building solidarity and accountability within communities. In a formal financial sector that often struggles to establish trust, stokvels endure because they are rooted in accountability and close ties. They remain one of the most powerful forces in township financial life.

Taken together, these findings illustrate the ways township communities continually expand what is possible. They adapt grocery habits to survive inflation without abandoning quality. They rebuild trust in spazas under state regulation. They turn local food trends into a culture that travels between communities. They use digital networks to open doors to work, business and influence. They pool resources in stokvels, insurance products and informal systems to create stability where incomes are unstable.

The 2025 Township CX Report draws these threads together, presenting a portrait of the township not as a peripheral economy but as a driver of South Africa's consumer landscape. For brands and policymakers, the challenge is to engage with this reality fully. Strategies that treat townships as one market or as secondary to urban centres will fall short. What is needed is consistency, cultural understanding and a willingness to recognise that the adaptive and inventive behaviour of these communities is shaping the direction of the broader economy.

CONTRIBUTORS



BONGANI MABUZA - FOUNDER OF AFRICAN ACCENT, ENTREPRENEUR AND SPAZA SHOP OWNER

Bongani Mabuza is a seasoned Katlehong-based entrepreneur, spaza shop owner, product developer, and distributor. He is the founder of African Accent. Bongani is passionate about promoting, building and supporting African brands. He is also committed to providing jobs and opportunities for other Africans.



BONGANI SOKO - CO-FOUNDER AND BUSINESS DEVELOPMENT DIRECTOR, GODLELA

Bongani Soko is a visionary marketer with a deep understanding of cultural trends, emerging market dynamics, and community needs. As Co-Founder and Business Development Director at Godlela, he oversees turnkey fibre solutions that connect Africa's underserved regions—in Mpumalanga, Limpopo, and Gauteng—to the global digital economy. Partnering with industry leaders like Vuma and BritelinkMCT, Bongani's initiatives bridge infrastructure with community needs, supporting growth through inclusive technology access.



BRIAN MAKWAIBA - MANAGING DIRECTOR, VULEKA PLATFORM

As Managing Director and Co-Founder of Vuleka Platform, Brian Makwaiba leads an e-commerce and fintech platform tailored to the informal sector. Acknowledged as one of South Africa's top youth entrepreneurs, Brian has been recognised with multiple innovation awards— such as one of 2015's Top 50 Youth Entrepreneurs in South Africa, Innovator of the Year in 2017, Standard Bank Rising Star 2018, and one of the Top 20 Business Heroes in Jack Ma's Africa NetPreneur prize 2019. His work with Vuleka underscores his commitment to harnessing digital solutions for sustainable growth in underserved markets.



SUZAN LOSABA - FOUNDER AND MANAGING DIRECTOR, FIELD & INSIGHTS AFRICA

Suzan Losaba brings nearly 30 years of industry experience, having held key insights roles on both the supplier and client sides for major companies such as Ipsos, L'Oréal, and GSK, focusing on the African market. Her expertise in market research, data analytics, and strategic consulting has been instrumental in building a diverse respondent panel and robust methodologies, positioning her as a trusted partner for navigating Africa's complex markets. Through her commitment to data-driven decision-making and deep understanding of African market dynamics, Suzan continues to drive growth and innovation, empowering organisations to make informed, strategy-shaping decisions based on empirical research.



LUIGI FERRINI - CHIEF CUSTOMER OFFICER, TIGER BRANDS

Luigi has been with Tiger Brands for more than 15 years, having joined from AVI—National Brands, where he held the position of Sales Director of the Snackworks business. He has more than 25 years of experience within the FMCG sector, spanning both South Africa and international markets, with particular emphasis on sales strategy and execution, customer management, and customer relations.



DALI MONAGENG [AKA DALI DANGER] - BRAAI NOMAD, CONTENT CREATOR AND STORYTELLER

Dali Monageng, better known as Dali Danger, is a South African content creator and culinary storyteller whose cooking videos on TikTok and Instagram have amassed millions of views and high engagement. His signature style blends artistry, flavour and culture — from smoked meats and kotas to inventive braai-style dishes — while spotlighting the everyday food experiences that shape township life. He can usually be found braaiing, reviewing food, dazzling the masses with his music or creating content his community loves on TikTok and the internet near you. Not that near, but still.....close.....there when you're online.

CONTRIBUTORS



ANNELENE DIPPENAAR - CHIEF BUSINESS OFFICER OF SHOP2SHOP

Annelene Dippenaar is a qualified attorney, chartered company secretary, and accomplished executive with deep expertise in fintech and information services. As Chief Business Officer at Shop2Shop, she drives strategic growth, governance, and commercial performance. With cross-border experience across Africa, she is recognised for her leadership in high-growth, entrepreneurial environments and passion for building scalable governance frameworks that align with strategy. Known for her clarity in complex environments, Annelene enables confident decision-making and fosters excellence in fast-paced sectors.



NAVASHNEE MOODLEY - HEAD: CLIENT EXPERIENCE AT CAPITEC

Navashnee brings 20 years of cross-industry experience, driving client-centric growth across banking, energy, insurance and entertainment. She has worked with top global brands like FNB, BP, Paramount and Universal Studios. An International MBA graduate and Chartered Marketer, she now leads Capitec's Client Experience Office, championing the client-first agenda.



DR SEMONA PILLAY - UNIVERSITY OF JOHANNESBURG SENIOR LECTURER AND WHOLESALE AND RETAIL LEADERSHIP CHAIR IN GAUTENG

Dr Semona Pillay, a PhD graduate in Marketing Management and a lecturer in the Department of Marketing Management at the University of Johannesburg (UJ), is renowned as one of the most progressive researchers in Africa. Her passion lies at the intersection of Marketing and Retailing. Throughout her academic career at UJ, spanning 9 years, she has made significant strides in helping to reshape and redefine the landscape of retail education. As a dedicated educator, Dr Pillay has transformed the Diploma in Retail Business Management programme, not only changing students' perceptions of Retailing but also enhancing the program to improve graduate success and employability.



TINASHE MANYANYA - SENIOR DIGITAL MARKETING MANAGER, WONGA

Tinashe Manyanya is a Senior Digital Marketing Manager in Cape Town known for delivering outcome-driven marketing strategies and elevating brand visibility. She has led major campaigns that significantly boosted customer engagement and has represented her organisation in national media.



LINDELWA SKENJANA - HEAD OF DIGITAL MARKETING AND CUSTOMER EXPERIENCE, SANLAM RETAIL MASS

With nearly two decades of private sector experience, Lindelwa leads the Digital Marketing (DX) and Customer Experience (CX) portfolio in Sanlam Group's Retail Mass business. She is deeply passionate about advancing financial inclusion for South Africa's mass market, ensuring access to meaningful financial solutions. Lindelwa holds a Master's degree in ICT and Development from the University of Manchester, is a published author, and an accomplished marketer committed to driving impact and innovation.



SHANA ABRAHAMS - HEAD OF RESEARCH, MOYAAPP

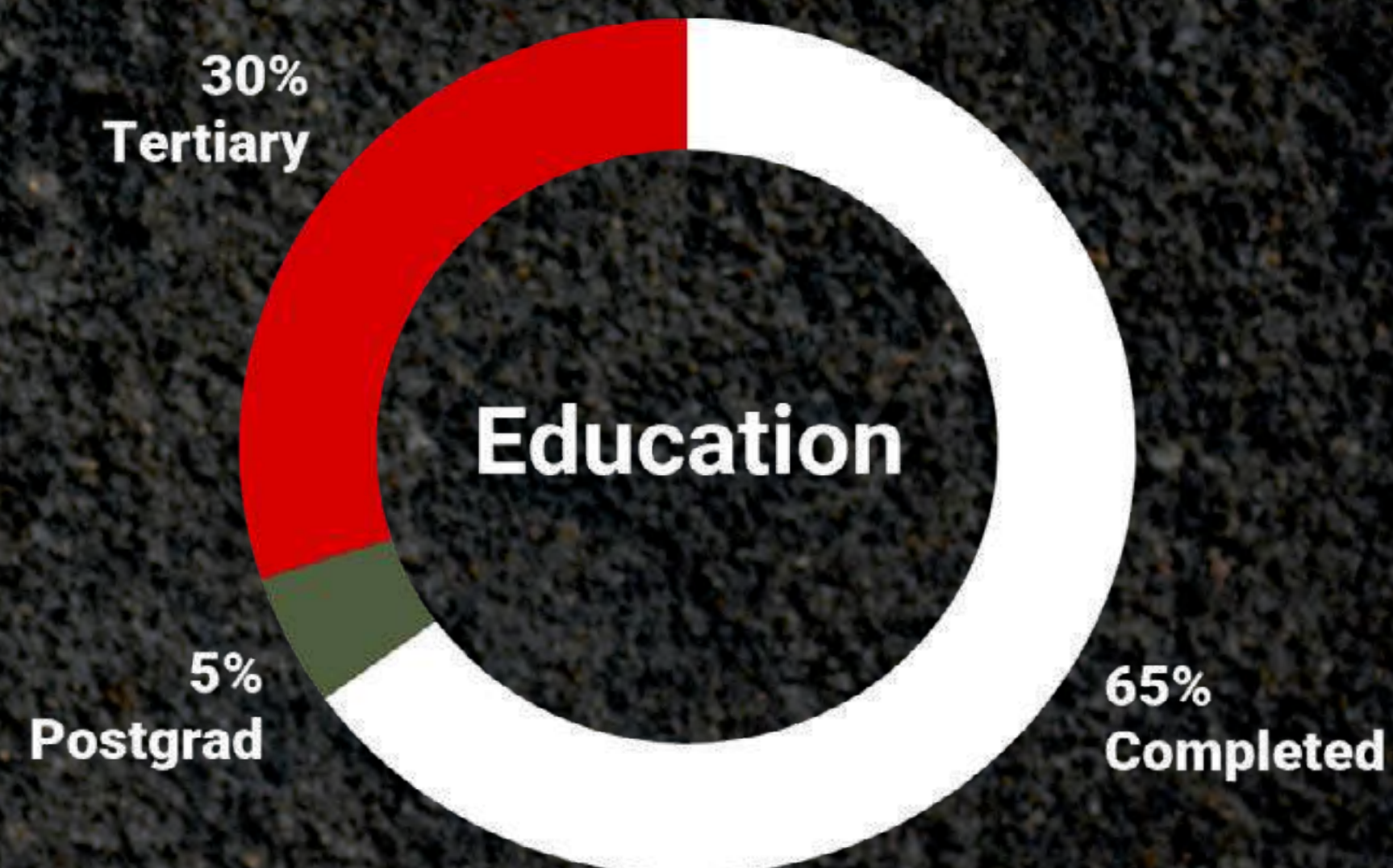
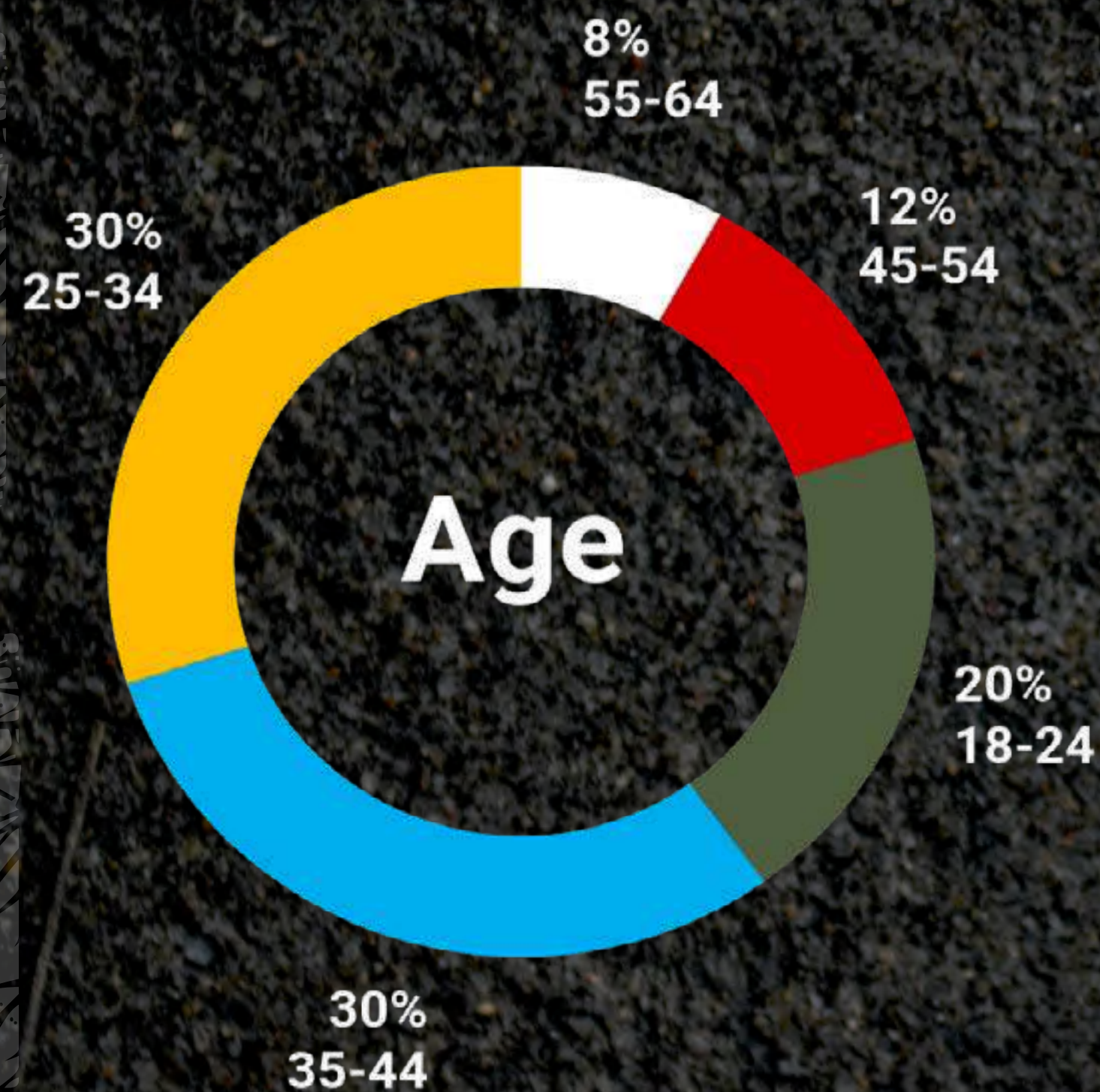
Shana is the Head of Research at MoyaApp, a data-free super app connecting millions of South Africans daily. With over a decade of experience in market research and consumer insights, Shana specialises in designing commercially impactful research strategies that drive growth and unlock the voice of the mass market. Her expertise spans brand equity, behavioural analysis, and mobile panel management, with a strong focus on utilising accessible digital platforms to engage underserved consumers and translate data into actionable business insights.

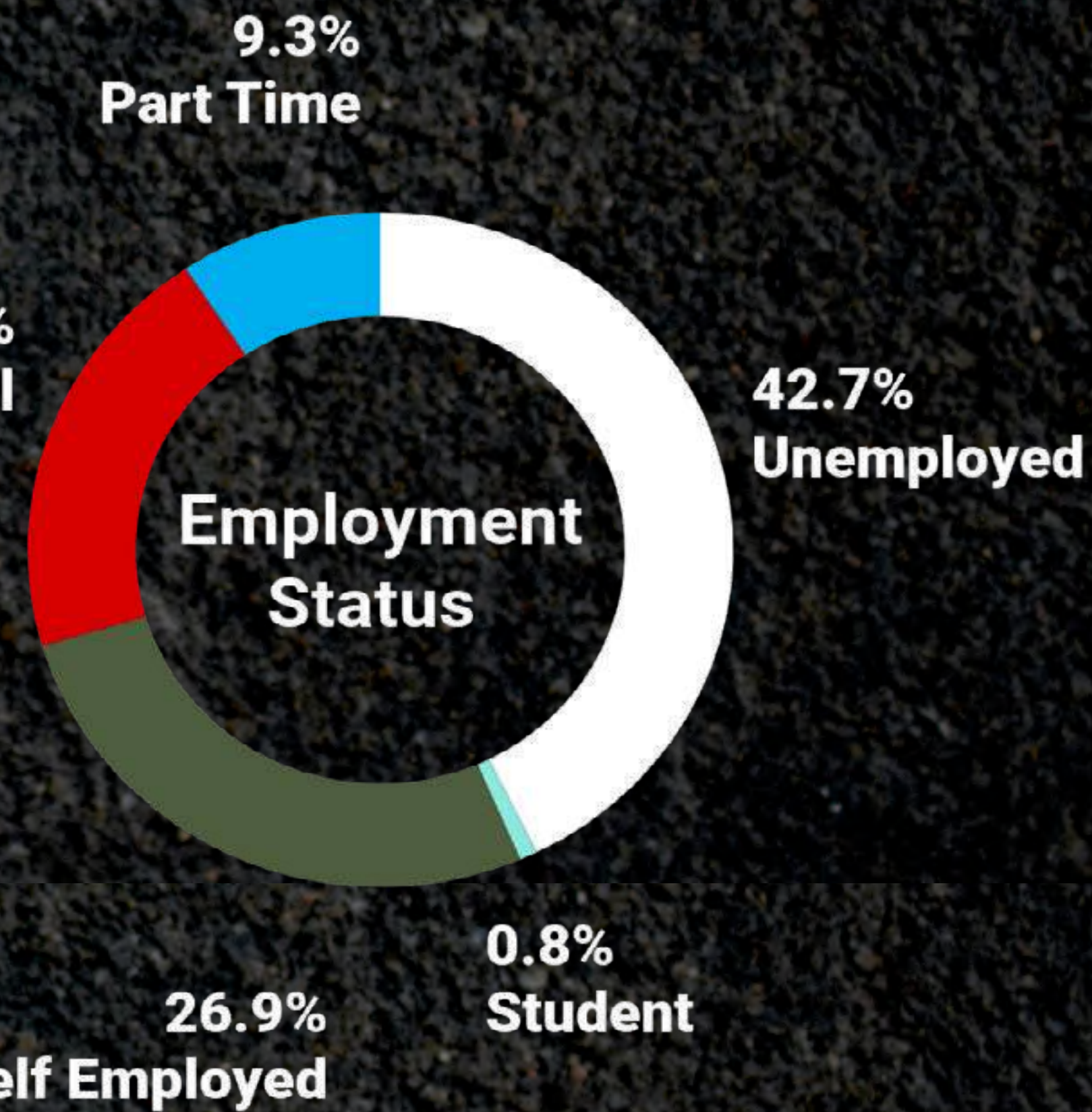
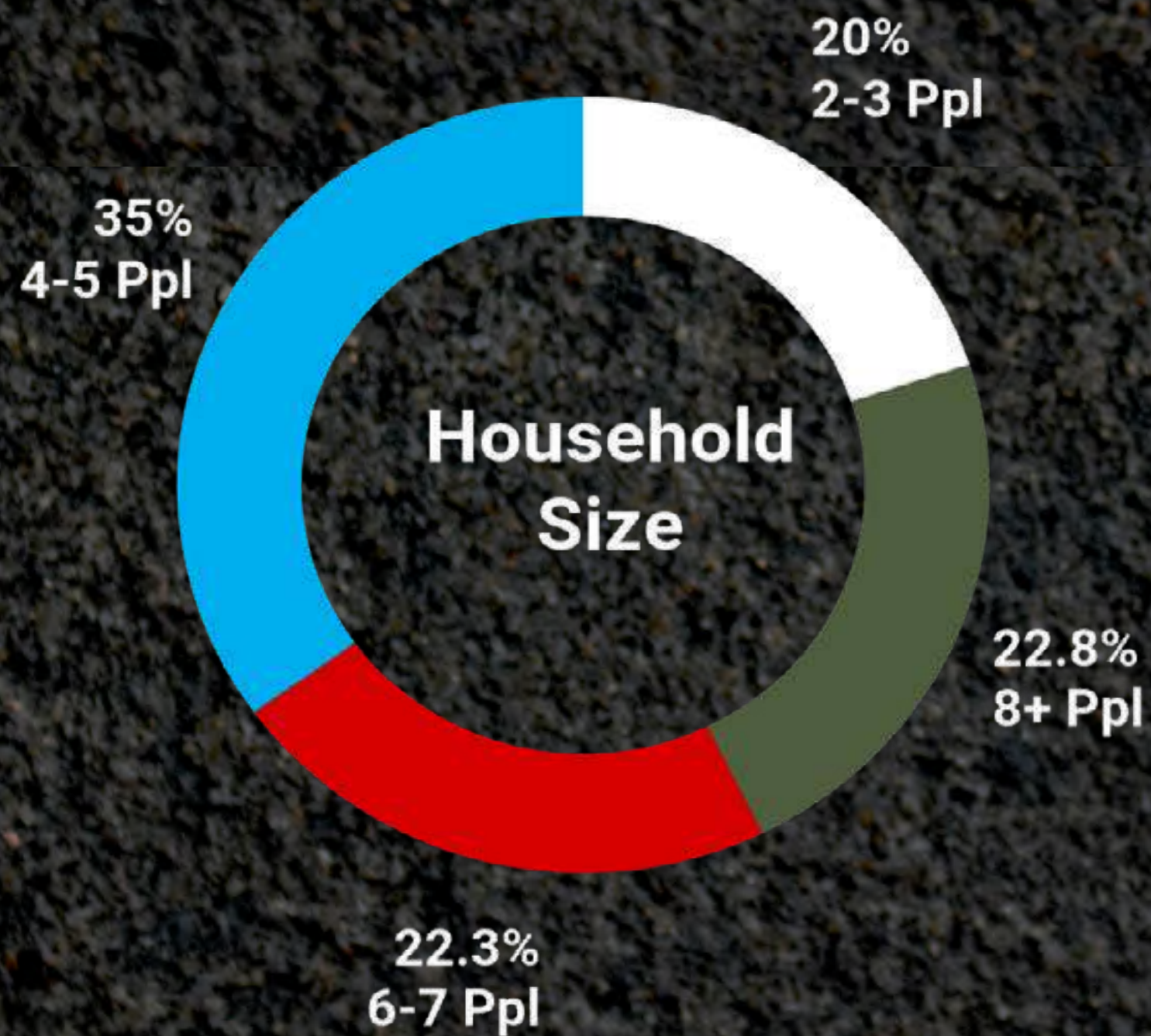
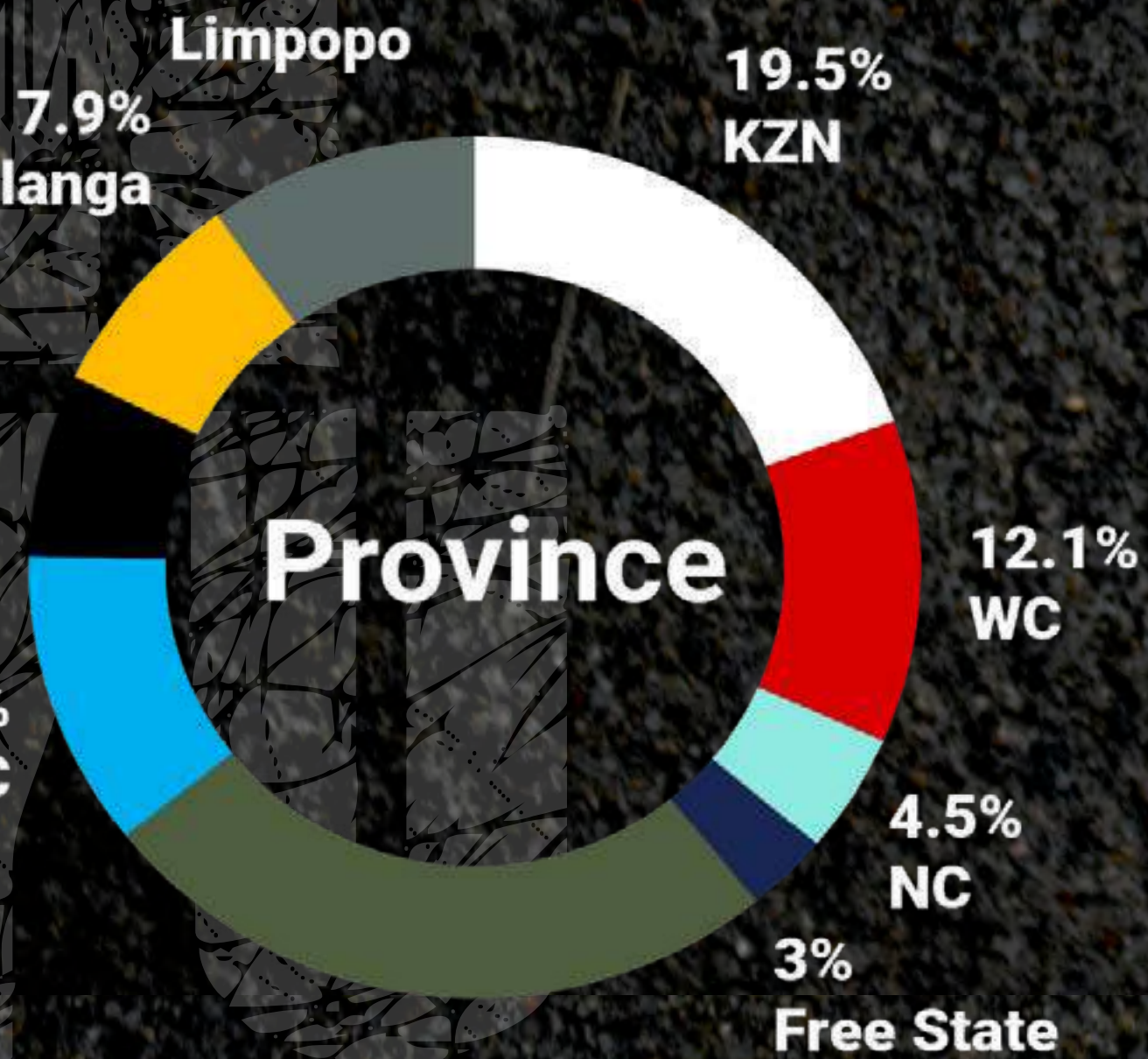
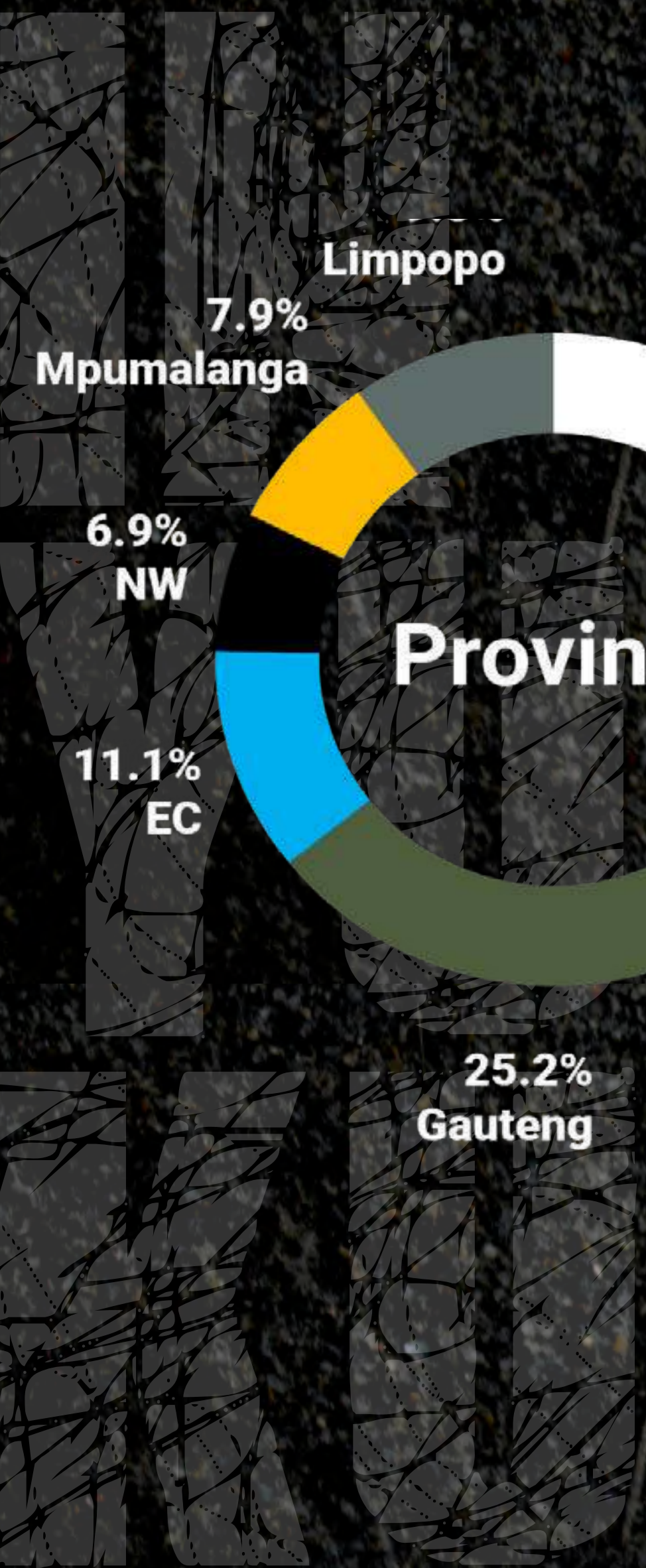


TSHEPO MOLOI, FOUNDER CEO OF STOKFELLA

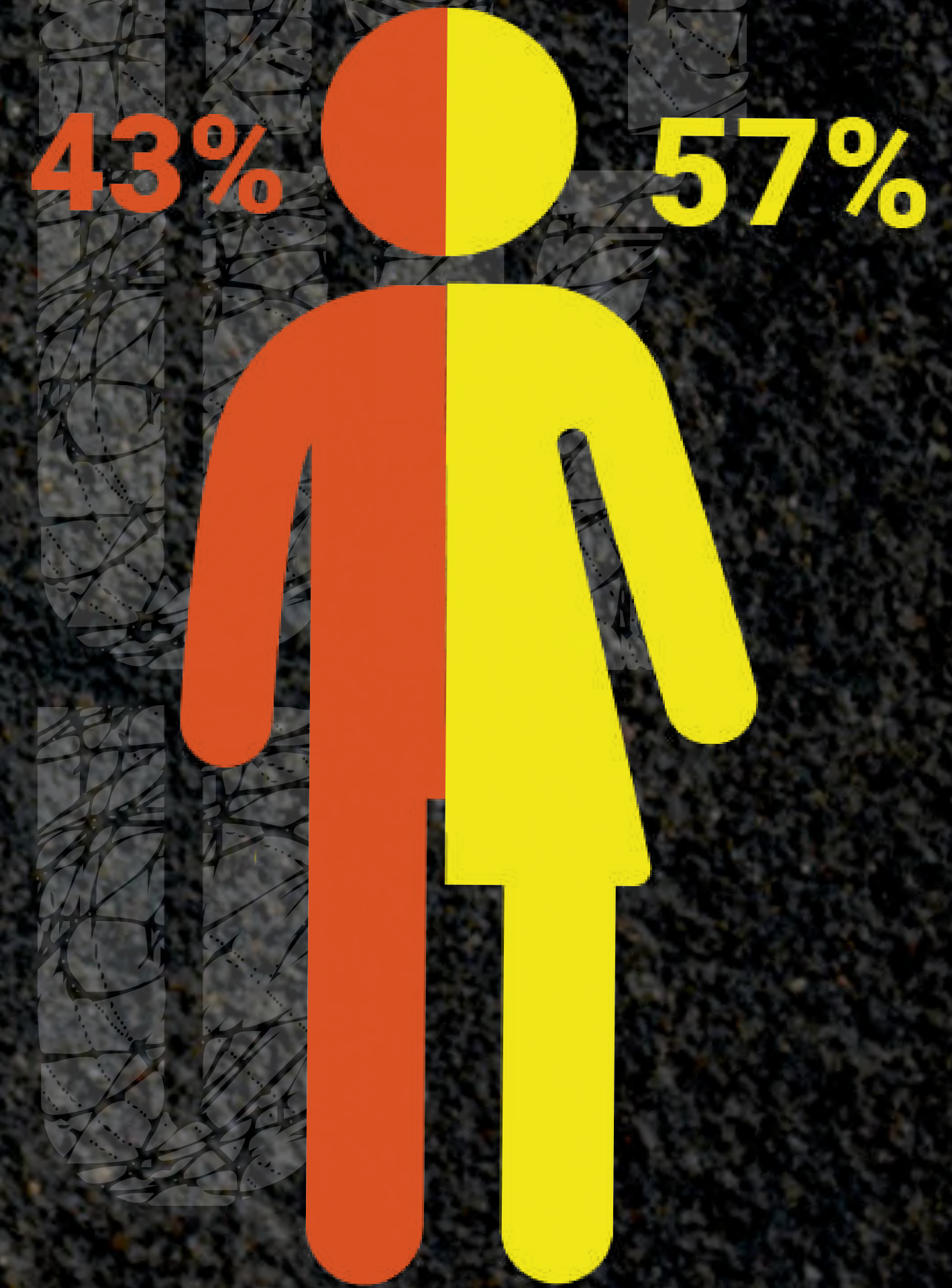
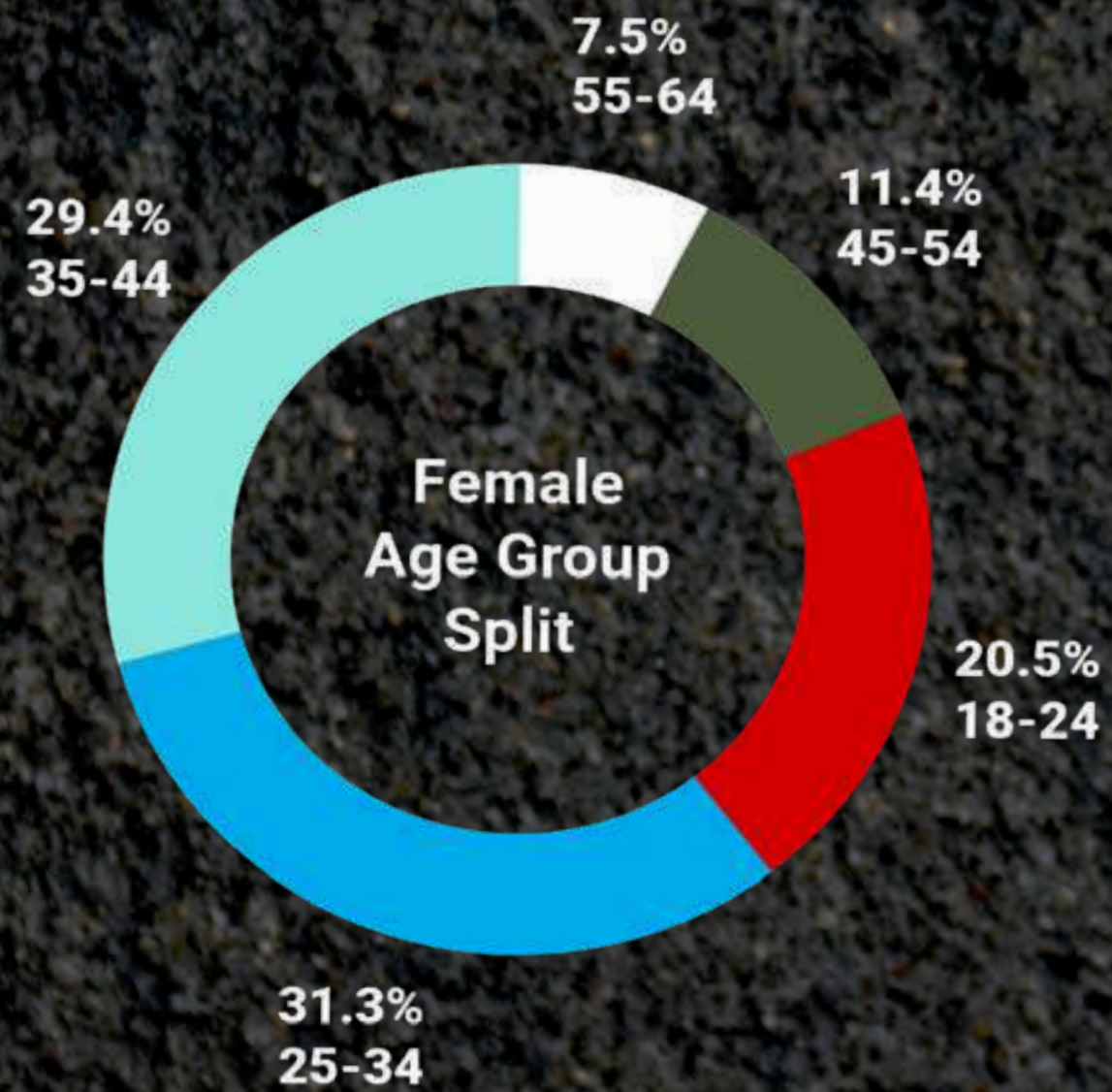
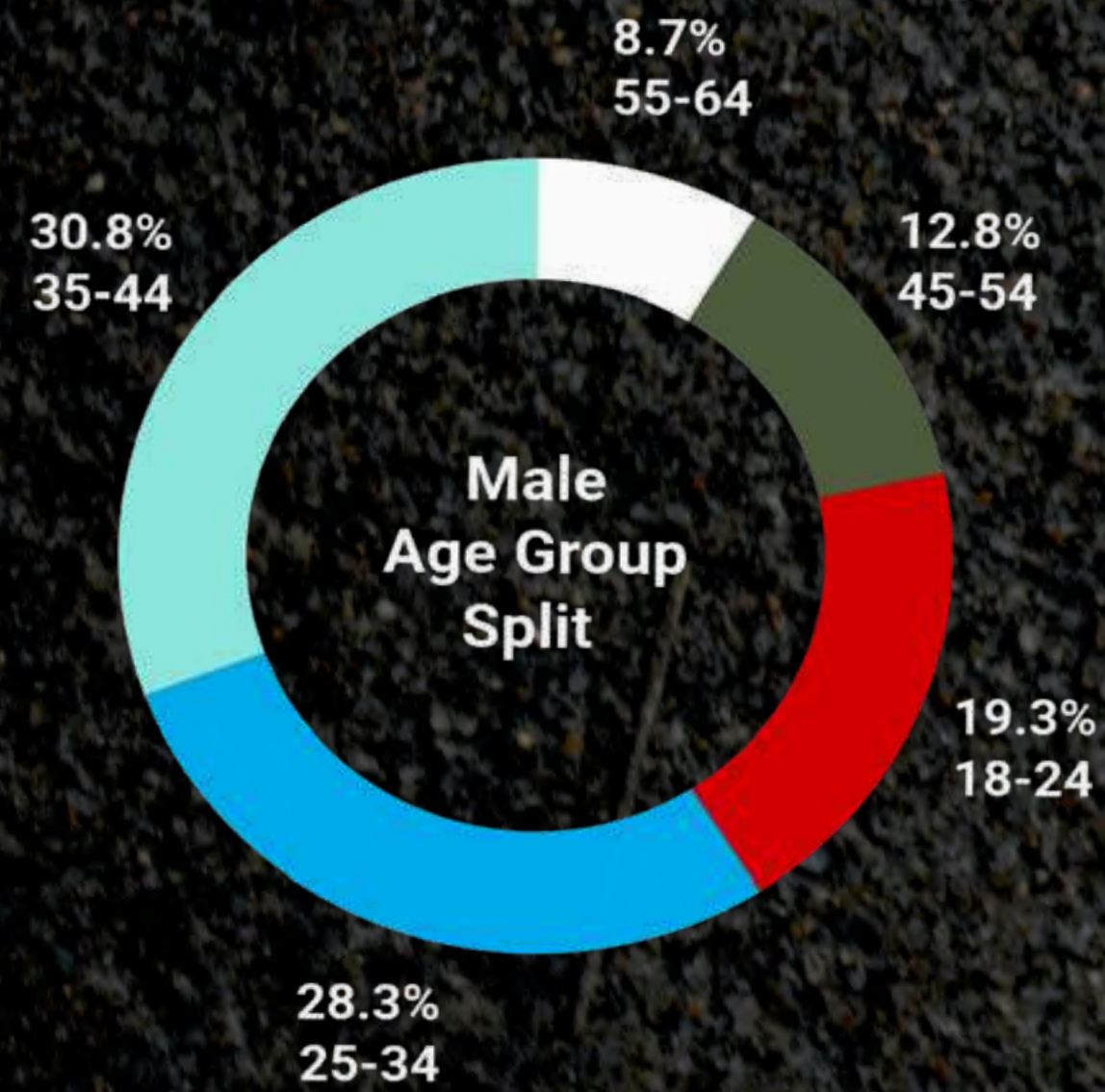
Tshepo Moloi is the Founder and CEO of StokFella, a fintech that modernises stokvels to empower South Africans through collective saving and investing. Born in Soweto, with Masters in both Engineering and Finance, Tshepo combines technical expertise with lived experience in stokvels to drive financial inclusion and innovation.

DEMOGRAPHIC DATA



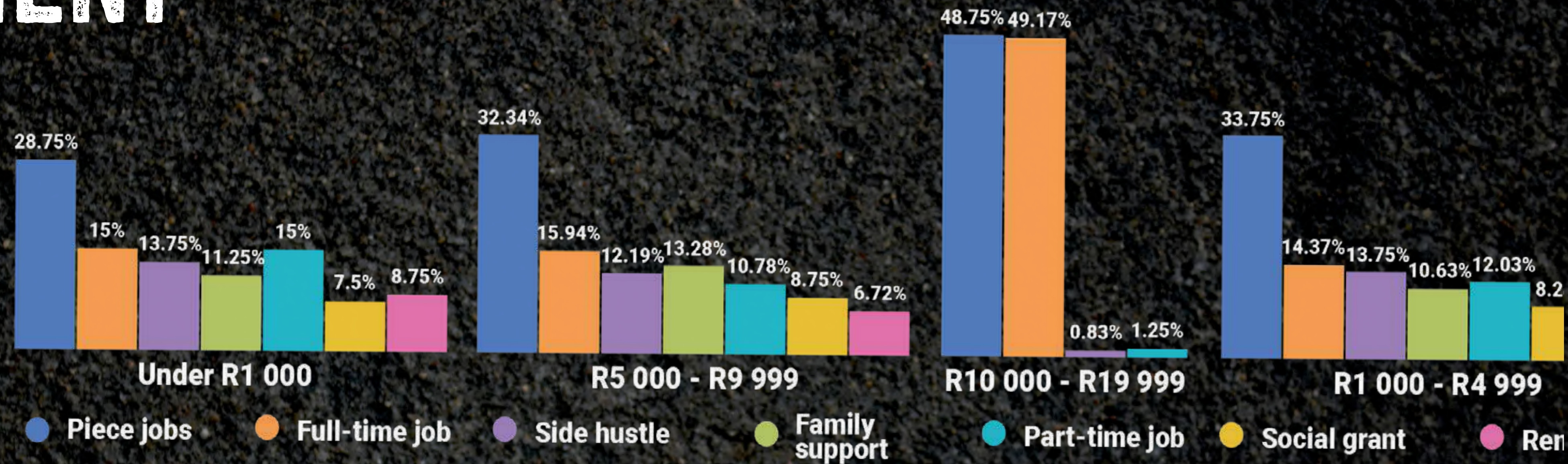


DEMOGRAPHIC DATA - GENDER

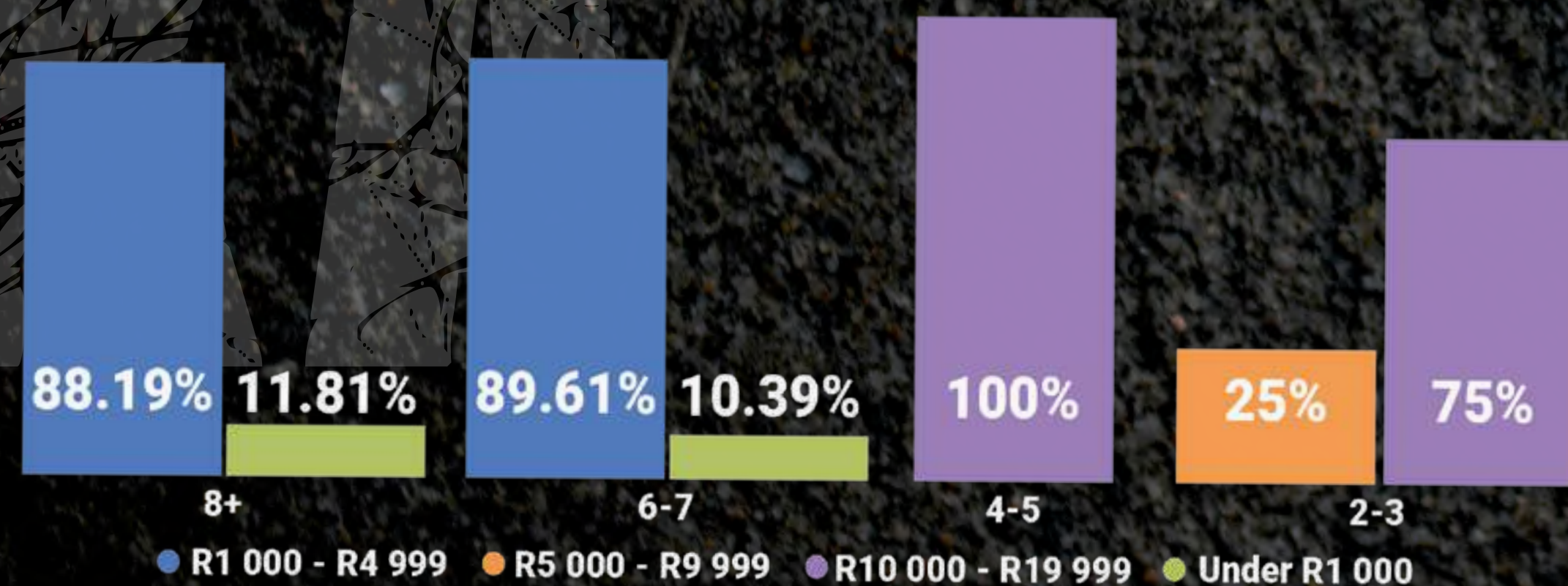


EMPLOYMENT STATUS

Income and source of income

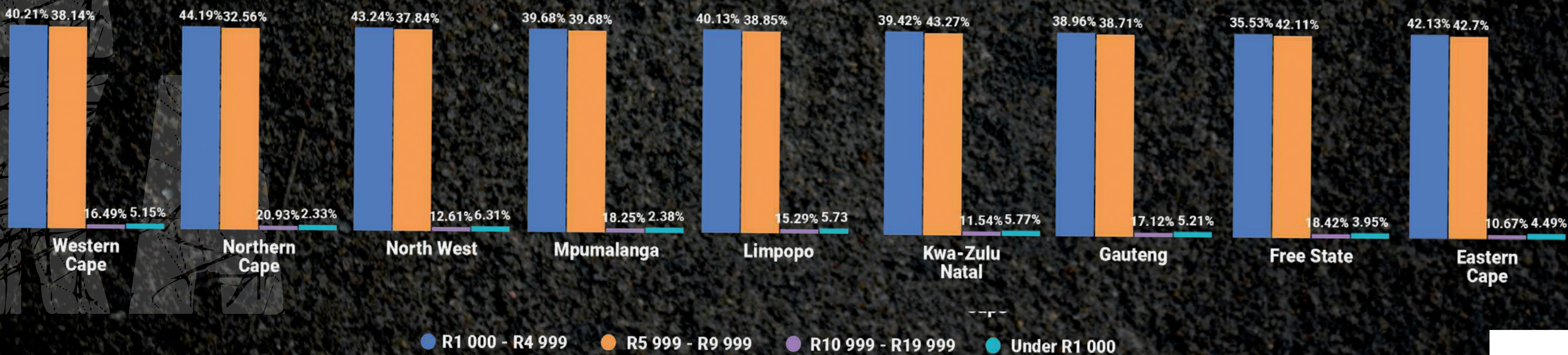


Income and household size



EMPLOYMENT STATUS

Income and province



LOYALTY

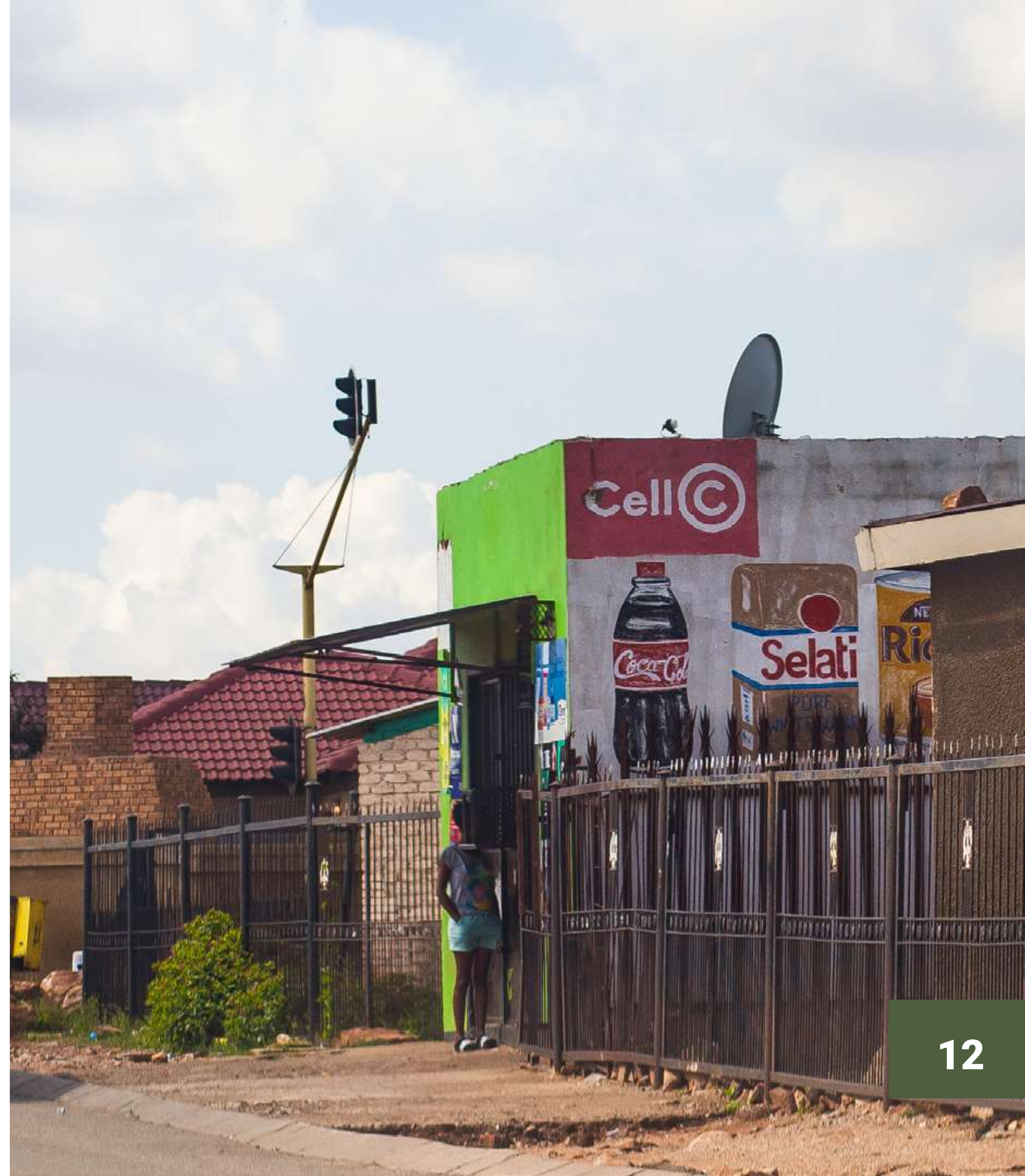
A woman with long braids and glasses, wearing a denim jacket over a white t-shirt, is reaching up to a high shelf in a grocery store. She is holding a small object, possibly a product, in her right hand. In the foreground, there is a shopping cart filled with various items, including a pineapple, a bunch of bananas, and some leafy greens. The background shows the store's interior with shelves stocked with products.

CHAPTER 1

THE RANDS AND SENSE OF LOYALTY AND BRAND CHOICE

Despite food inflation easing in recent months, food and non-alcoholic beverage prices still hit a 15-month high of 5.1% in June 2025, according to StatsSA¹. This continues to strain township households, where a significant portion of income is spent on groceries. As we first observed in the 2021 Township CX Report, convenience and price have long been key drivers of the kasi economy, where shoppers look for bargains and specials as part of their everyday shopping experience. This search for value often leads people to move between spazas and supermarkets, making brand loyalty fluid and dependent on factors such as pricing, location, and accessibility.

1. Inflation up on higher food prices (StatsSA)



PRICE SHIFTS LOYALTY

For the 2025 edition of the Township CX Report, we asked township shoppers what they do when grocery prices go up. A clear 39% of respondents said they switch brands, with those spending between R1 001 and R2 000 per month most likely to do so. Luigi Ferrini, Chief Customer Officer at Tiger Brands, notes that with nearly four in ten shoppers making these shifts, price sensitivity is a powerful force shaping brand preference. “Loyalty is often anchored more in retailer relationships than in manufacturer affinity,” he adds. In response, Tiger Brands has adopted a dual approach: keeping core products competitively priced, and deepening partnerships with retail channels to ensure visibility and relevance where it counts most.

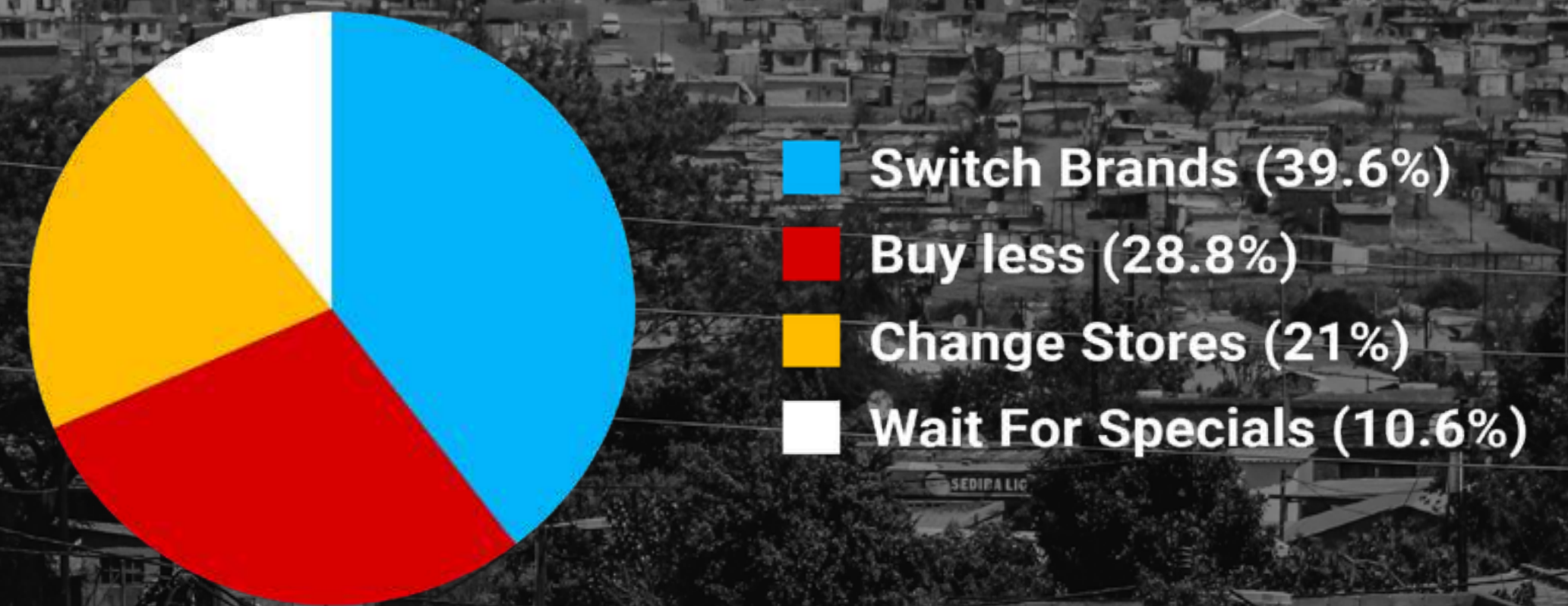
A deeper look reveals that 50% of those switching brands are also shopping more often at supermarkets. Suzan Losaba, Managing Director at Field and Insights Africa, says their own Shopping Basket Tracker reflects the same trend. “Families in the R1 001 to R2 000 grocery spend bracket are the most likely to switch, because every rand saved provides real relief.”



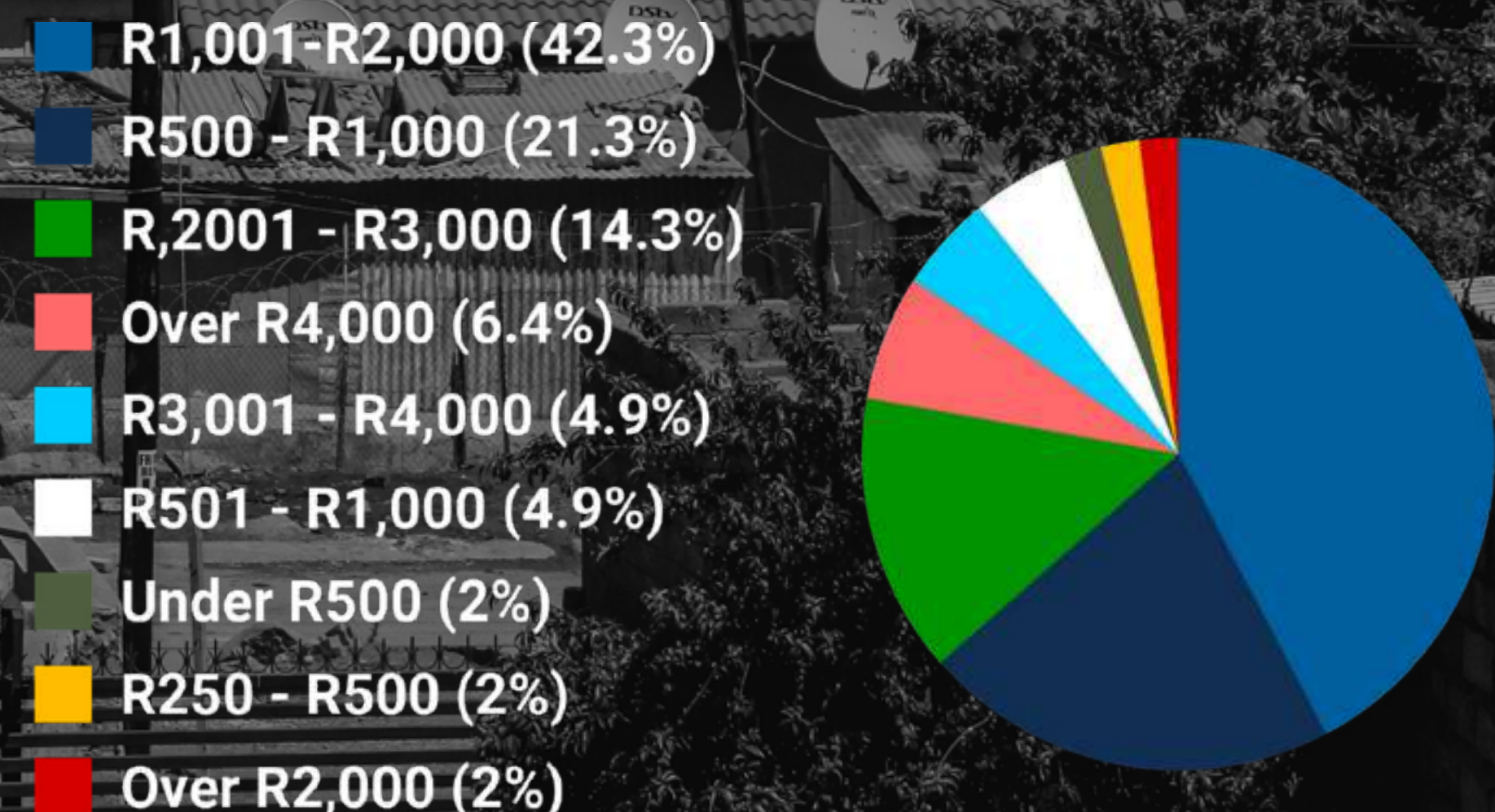
The second highest number of respondents (21%) who change brands in response to rising prices spend R501-R1 000 per month, which shows that FMCG brands should offer more than just discounts as an incentive. As township shoppers increasingly need to fill the same baskets with less money, they are open to trying other brands for the same items. Price also influences where people shop, with 13% citing location and brand as the key drivers of choice. In the 2023 report, 48% of respondents said they shop once a week at supermarkets, with 18% saying they do so once a month. Travel costs for those who live far from shopping centres and malls affect how much and how often they shop.

“50% of those who switch brands also shop more at supermarkets.”

What do you do when prices increase?



On average, how much do you spend on groceries?



THE AISLE OF MANY

The Household Affordability Index, which tracks the cost of a basic 44-item food basket for low-income households in South Africa, shows a consistent year-on-year rise. In June 2025, the average cost reached R5,443.12, representing a 3.6% increase from the same month the previous year. This basket reflects what working-class families, particularly women-led households, prioritise monthly².

For many households in our sample, the cost of this basic food basket stretches beyond what they can afford. Respondents in 40% of households reported monthly incomes between R5 000 and R9 999, placing them close to the affordability benchmark. In contrast, 45% earn less than R5 000 per month, while only 20% fall into the R10 000 to R19 999 range. This reveals a clear affordability gap, with basic grocery items putting pressure on already tight household budgets. For FMCG and grocery brands, this shows that price sensitivity is widespread and central to how most township consumers shop.

Among those reducing basket sizes, 17% are aged 25–44 and 10% are women, while Gauteng accounts for the highest share (7%) of shoppers buying less. These figures highlight consumers who are not walking away from brands entirely but making more deliberate decisions about where and how to spend. Suzan Losaba notes that shoppers are weighing price alongside quality, location and trust. Once-off discounts no longer cut it. Brands need to deliver consistent value and remain visibly supportive in consumers' everyday lives.

This aligns with findings from the 2024 Township CX Report, where many township residents expressed a desire for businesses to play a more meaningful role in tackling community issues such as unemployment and crime. For brands, this means rethinking strategies that balance loyalty, value and affordability. It also means showing relevance where it matters and not relying on familiarity alone.

“Brands must match the loyalty they ask of customers.”

As spending tightens, brands that stay relevant through affordable pack sizes, smart promotions and strong retail presence are more likely to remain part of the everyday shop. The 2024 Township CX Report found that 62% of consumers remember brands that show up in difficult times and support their communities³. This reflects a clear expectation that brands must match the loyalty they ask of customers. Many shoppers are under pressure to ensure their money goes further, and they are more likely to stick with brands that stand with them when it counts.

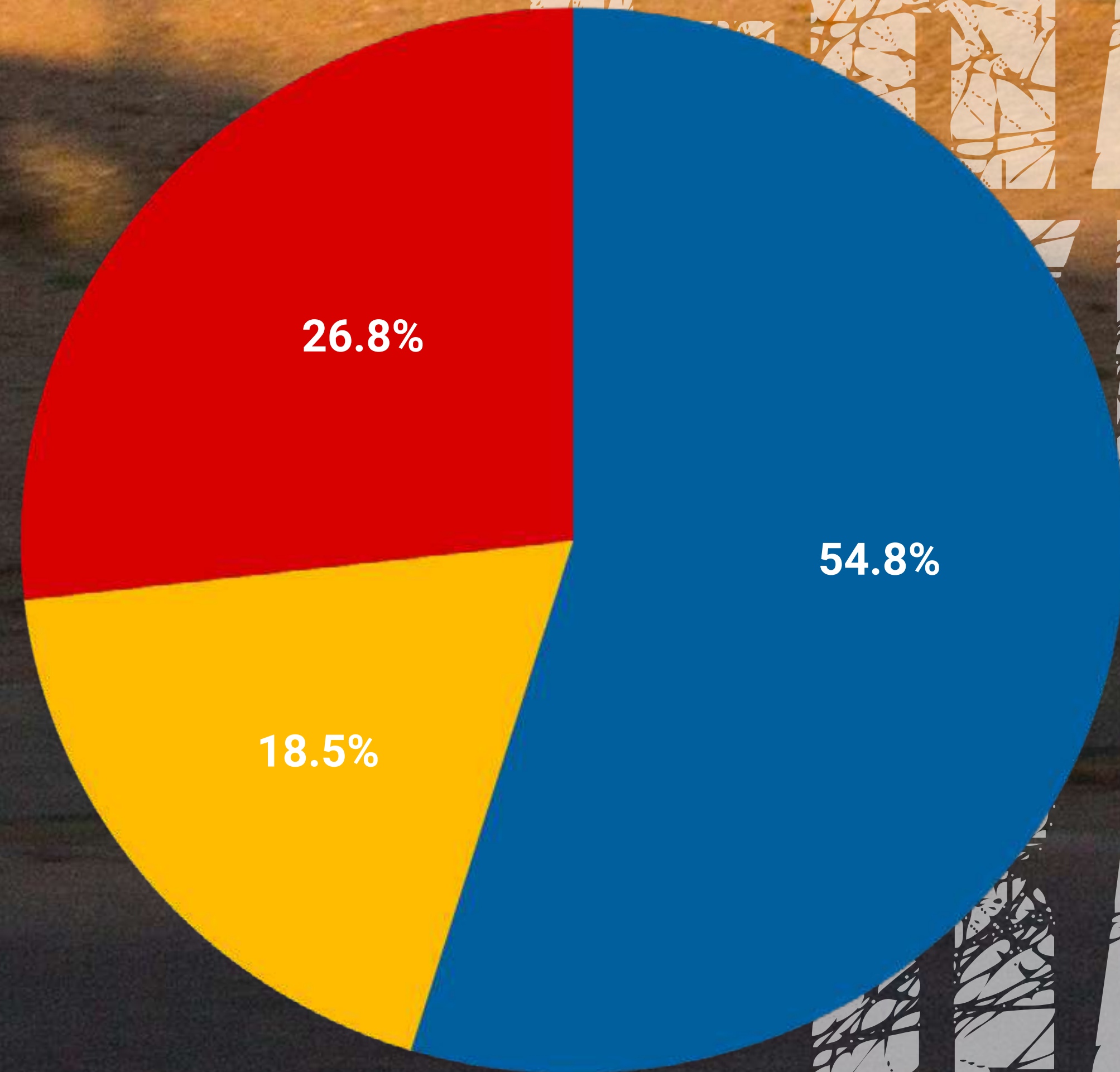
CHOICE IN MOTION

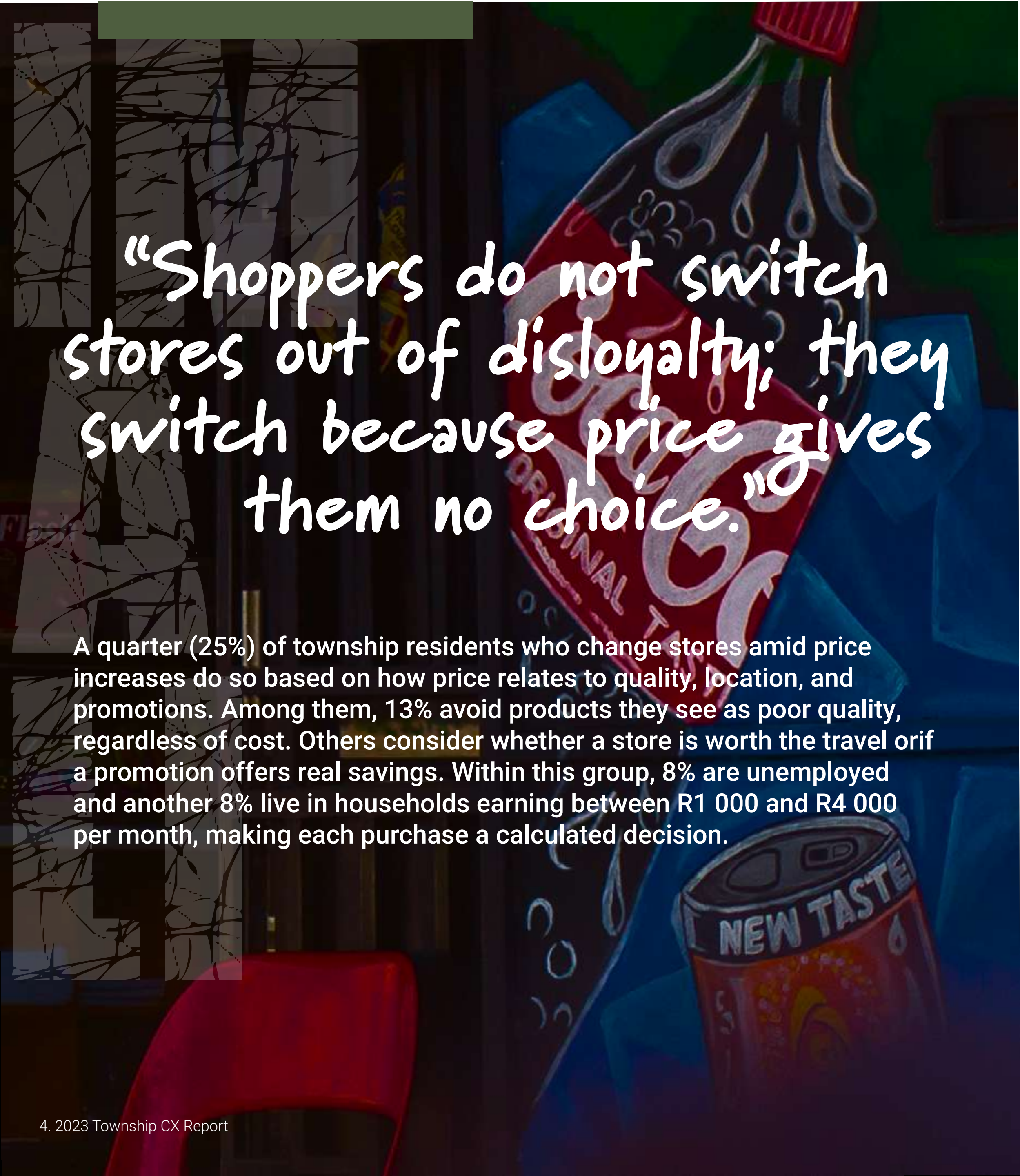
While brands may see a shift as consumers switch stores in search of the best deals to stretch their rand, stores are also not immune to this ever-evolving shopper behaviour. A significant percentage of survey respondents (21%) say they switch stores when prices rise, which suggests that they may have other options in townships, even though they may be limited and far apart.

There is also a significant spike among those who shop more in supermarkets, with a notable 54% who have increased their shopping in supermarkets over the past 12 months. Suzan Losaba adds that promotions, multipacks and loyalty-linked savings are key reasons why township families are making this shift. Major chains like Shoprite, Spar, Pick n Pay and Boxer play a major role by offering consistent value.

Over the past 12 months, how have your shopping habits changed?

- Shop more at supermarket (54.4%)
- Shop more at spas (18.6%)
- Same as before (27%)





"Shoppers do not switch stores out of disloyalty; they switch because price gives them no choice."

A quarter (25%) of township residents who change stores amid price increases do so based on how price relates to quality, location, and promotions. Among them, 13% avoid products they see as poor quality, regardless of cost. Others consider whether a store is worth the travel or if a promotion offers real savings. Within this group, 8% are unemployed and another 8% live in households earning between R1 000 and R4 000 per month, making each purchase a calculated decision.

In this context, retaining loyalty goes beyond being chosen on the shelf. Ferrini believes brands need to show up as partners in daily life, not just as product names. "Offering value beyond price and building emotional connections that endure, even in times of economic strain, is what makes a difference." This includes community-centred storytelling, culturally relevant campaigns, and in-store presence that feels local, not distant.

Some of these shifts in shopper behaviour can be slowed or even reversed through loyalty partnerships that offer tangible savings. Township shoppers continue to seek out discounts and value-driven promotions, with the 2022 Township CX Report showing that 40% of consumers shop where they get the best deals, and 26% saying loyalty cards or points influence where they go⁴. When these programmes are paired with everyday spend, such as cashback offers through bank partnerships or airtime rewards, they cushion the impact of price hikes and create a reason to return. This becomes especially powerful in markets where shopping is often split between spaza shops and supermarkets.

To build lasting loyalty, retailers should shift from transactional discounts to consistent value. This means making loyalty effortless to use, clearly communicating benefits, and linking rewards to essential items that matter most to township families. The brands and stores that will earn trust are those that reward consistency and understand that loyalty is not just about keeping customers; it's about helping them feel seen and supported when money is tight.



KEY INSIGHTS

- **39% of township shoppers polled switch brands when prices rise.**
Brands must compete on more than familiarity by staying visible in communities and offering meaningful support in both good and difficult times.
- **44% of shoppers spending R1 001–R2 000 on groceries switch brands.**
This key group should be retained through better value packs, targeted promotions and clear brand communication.
- **21% of shoppers change stores as prices increase.**
Retailers can keep these shoppers by offering competitive pricing, convenient access and locally relevant promotions.
- **54% of respondents have increased supermarket visits in the past year.**
Supermarkets should reward repeat visits by linking loyalty programmes to everyday savings and improving the in-store experience.
- **25% switch stores based on how price relates to quality, location, and promotions.**
Retailers need to maintain strong standards and communicate value clearly to remain trusted.
- **21% of shoppers who spend R500–R1 000 on groceries monthly change brands.**
This price-conscious group prefers brands that offer steady value and engage with communities beyond promotions.

SPAZZA

CHAPTER 2



REBUILDING SPAZAS AND REVIVING LIVELIHOODS

In an effort to enhance community safety, the government's spaza registration drive, which ran from November 2024 to February 2025, resulted in 49 915 applications, of which 19 386 were approved, according to Minister Velenkosini Hlabisa¹. According to JSE Magazine, there are over 150 000 spaza shops in SA, visited by 80% of the national population on a daily basis, which accounts for about 40% of annual food spend. Year-on-year, the Township CX Report uncovers key trends on the value of these outlets for brands their customers, as well as where they play a significant role in the ecosystem.

Spaza shops have always been foundational to township economies, not only as retail outlets but also as vital brand and product distribution points within communities. Over the years, these once underestimated stores have evolved into influential sales channels, enabling sampling and brand visibility deep inside township neighbourhoods. However, their reputation was hit hard in the past year by incidents ranging from food-borne diseases and contaminated goods to shop closures.

1. Registration of spaza shops, across South Africa, extended to February 2025 (IOL)

2. Corporate SA is including 'kasinomics' in its long-term retailing strategy (JSE Magazine)

"41% of township residents say they trust spazas more since the registration drive."

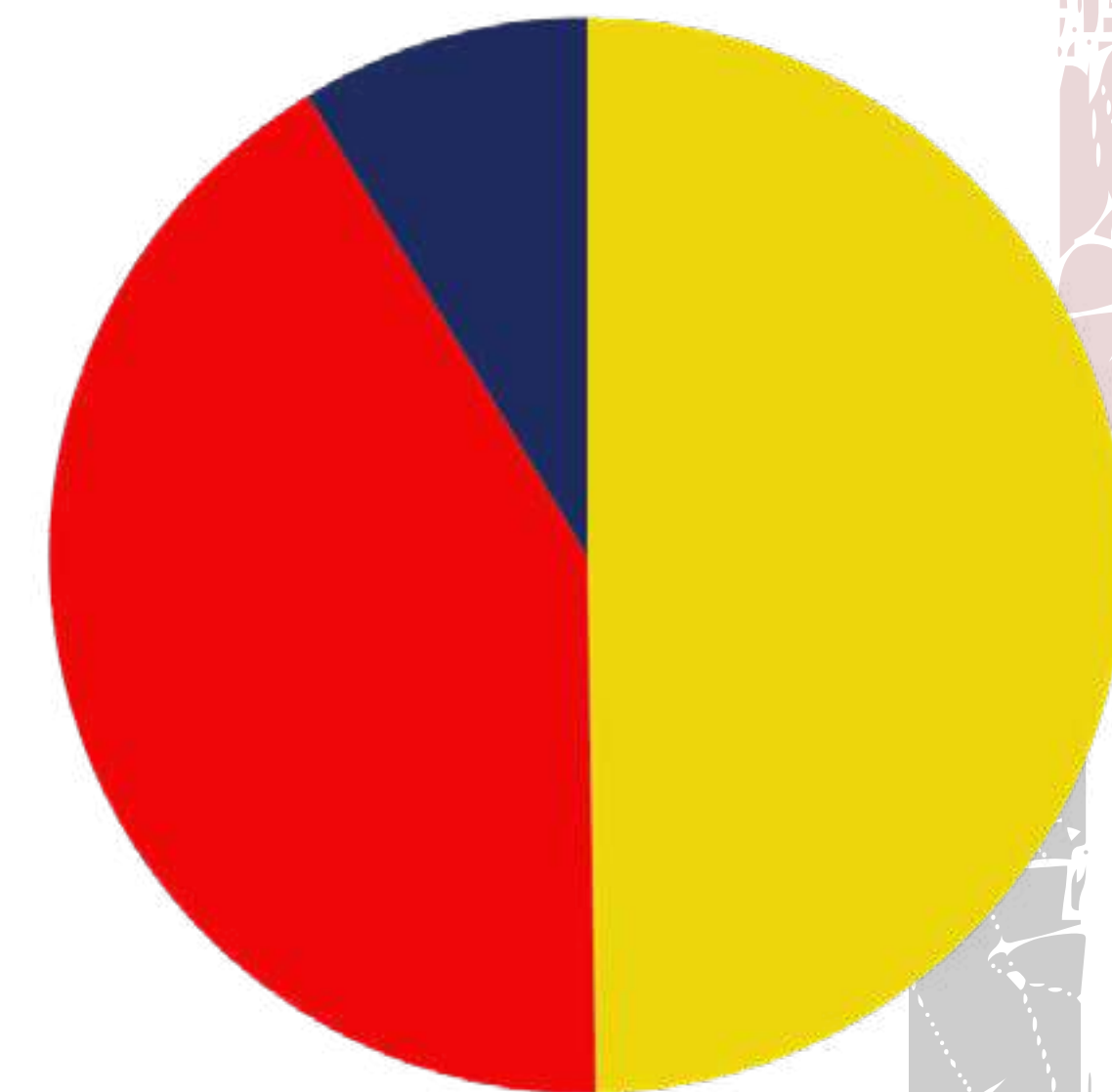


INCREASED TRUST

We asked township residents what has changed since the registration of spazas, and 41% said they now trust these shops more. In addition, 49% of respondents said they support more traditional spazas, which suggests that community members have returned to engaging with store owners they know and are familiar with. A smaller percentage (8%) believes there has been an increase in product variety following the registration drive.

From a spaza owner's perspective, Bongani Mabuza, founder of African Accent, says the registration process has not shifted the sector much. "Instead, it has added red tape for locals who are already in the game and discouraged those aspiring to enter. Entrepreneurs should be encouraged and supported, not weighed down by fees, documents and title deeds."

What has changed since spazas have been registered?



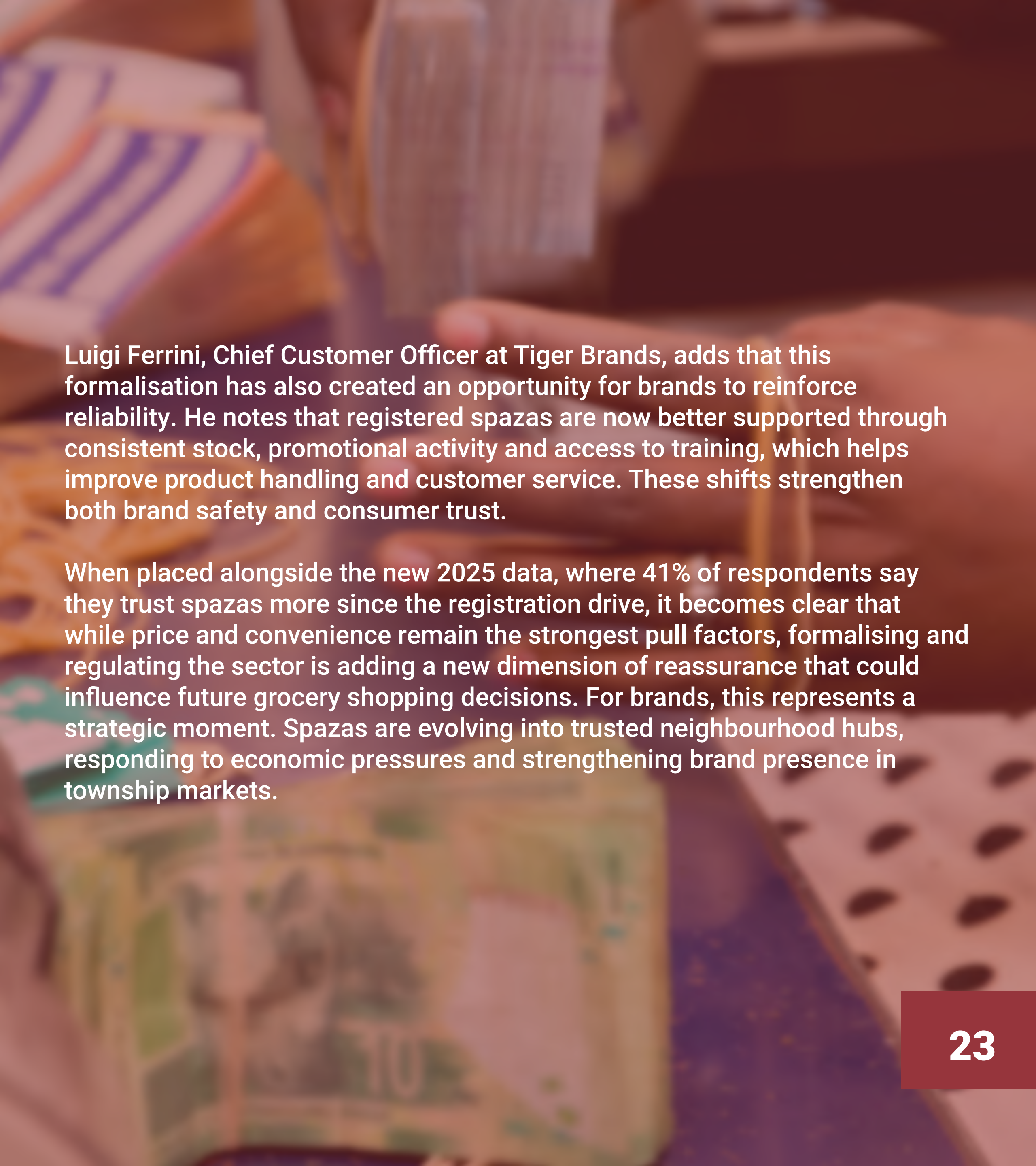
- I support my local traditional spaza (49.8)
- I trust spazas more (41.6)
- Product variety has increased (8.7)



Last year's Township CX report, published before registration began, found that 52% of residents used supermarkets for their main grocery shop, while 42% relied on spaza shops for daily or top-up purchases. This supports this year's data, reported on in Chapter 1, which shows that households are managing rising food costs by spreading their spend across multiple outlets. Price, convenience and familiarity remain the key drivers of spaza footfall despite growing competition from formal retail³.

Our earlier research showed an even deeper reliance on spazas, with 51% of residents shopping there daily and 31% buying smaller grocery items more than once a week. In 2023, 40% of respondents were choosing stores based on where they could get the best deals, highlighting that cost sensitivity was shaping shopping decisions well before the recent food inflation pressures noted in Chapter 1.

Brian Makwaiba, MD and co-founder of the Vuleka Platform, notes that the registration drive has done more than just count shops. "It has started to rebuild the crucial trust that anchors township economies. Spaza shops are community hubs where familiarity and convenience meet economic necessity. Price sensitivity may be driving shopping habits, but trust has become the new currency."



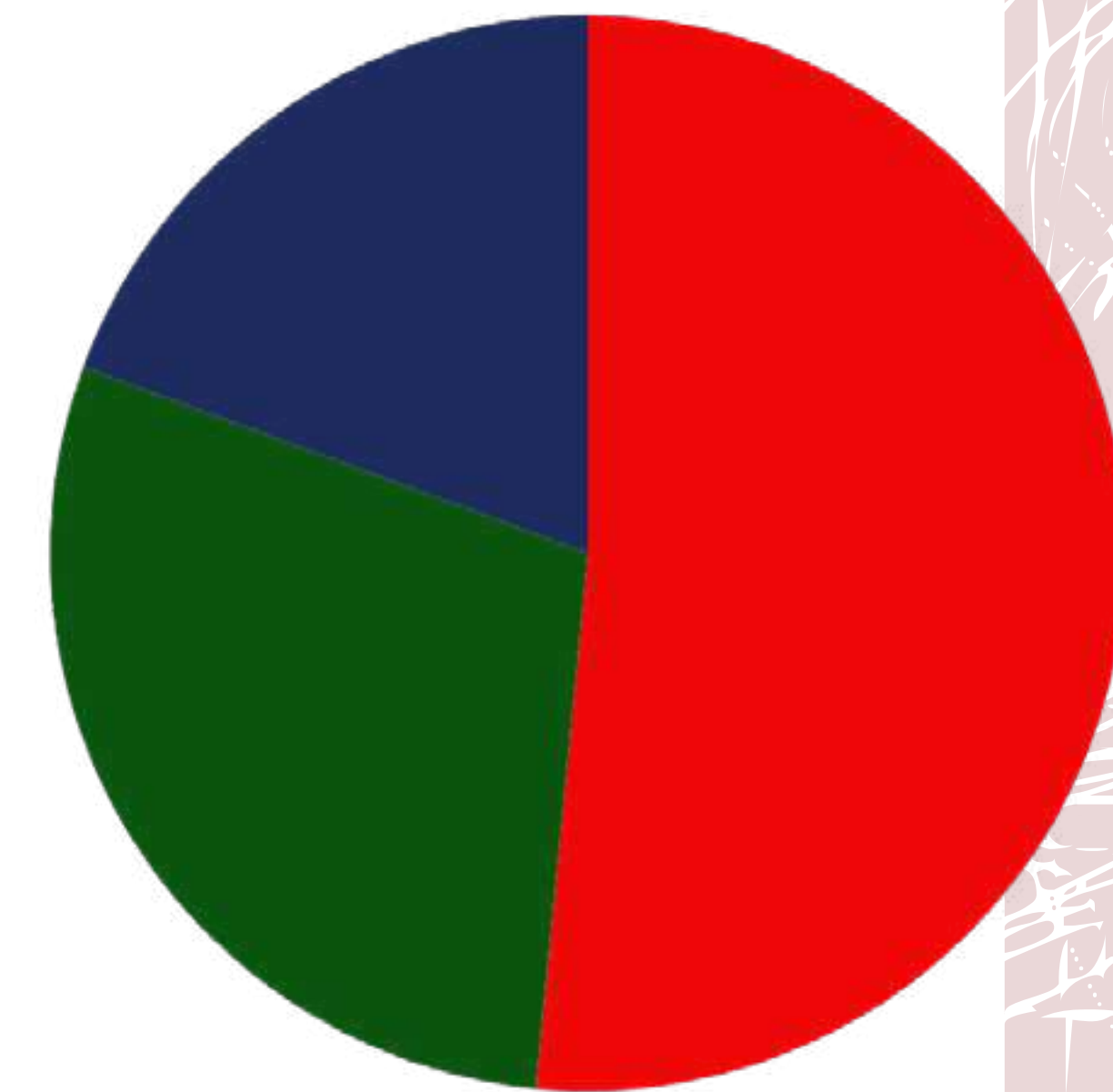
Luigi Ferrini, Chief Customer Officer at Tiger Brands, adds that this formalisation has also created an opportunity for brands to reinforce reliability. He notes that registered spazas are now better supported through consistent stock, promotional activity and access to training, which helps improve product handling and customer service. These shifts strengthen both brand safety and consumer trust.

When placed alongside the new 2025 data, where 41% of respondents say they trust spazas more since the registration drive, it becomes clear that while price and convenience remain the strongest pull factors, formalising and regulating the sector is adding a new dimension of reassurance that could influence future grocery shopping decisions. For brands, this represents a strategic moment. Spazas are evolving into trusted neighbourhood hubs, responding to economic pressures and strengthening brand presence in township markets.

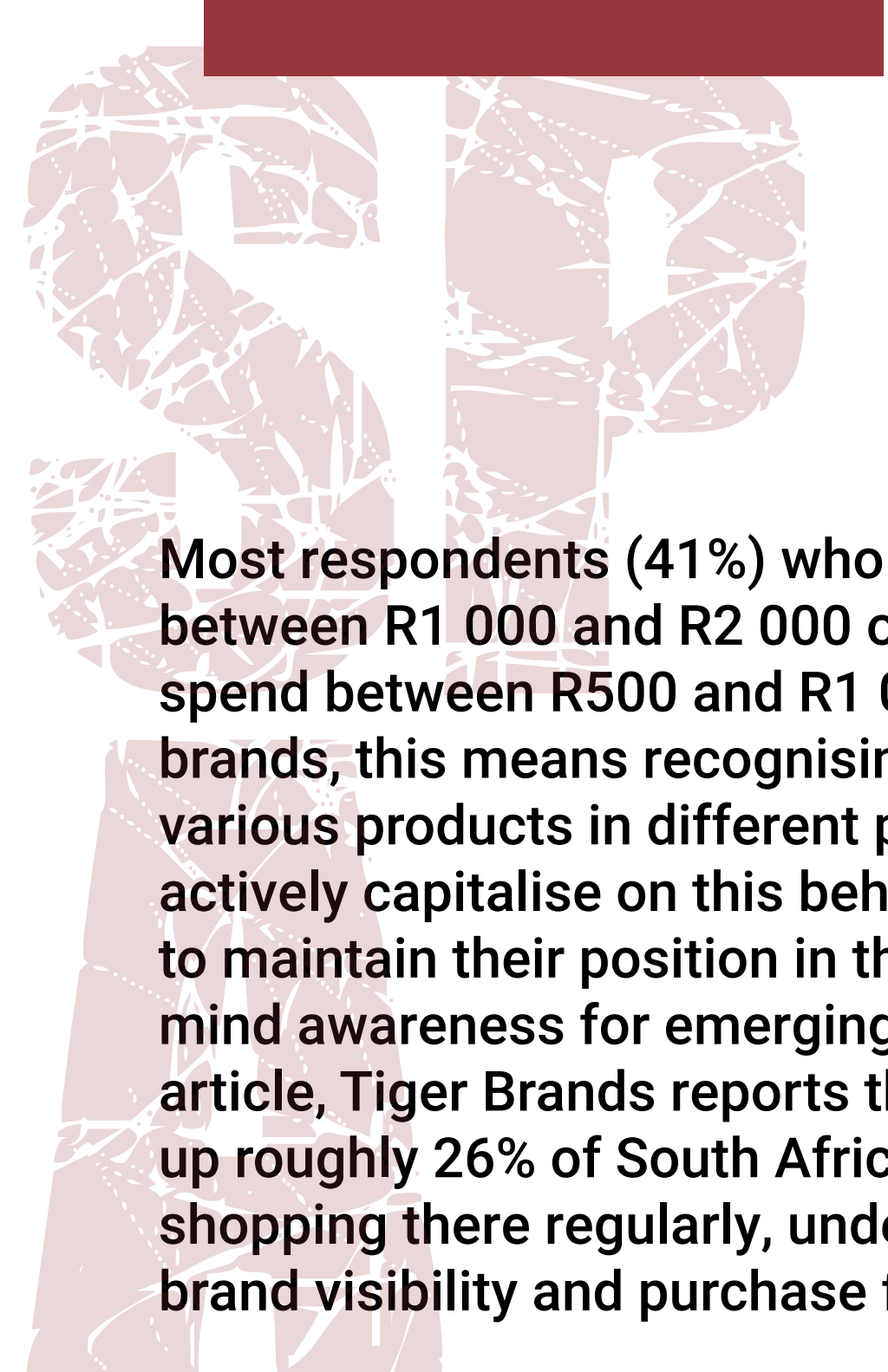
CIRCULATING THE RAND

As people look for affordable deals to stretch their rand, some have increased their spending at spazas while keeping a close watch on social media and other channels to stay informed about the latest specials, which we delve into in Chapter 4. Nearly a third of respondents (29%) have shopped more often at spazas over the past 12 months, indicating a shift in trust and a preference for buying smaller items closer to home rather than travelling longer distances that add public transport costs. The 2023 Township CX Report revealed that retirees, accounting for 60% of those who spend more than 50% of their income in the township, are also more likely to spend more time at home and to use nearby shops for convenience.

Over the past 12 months, how have your shopping habits changed?



- Shop more at supermarkets (51.6)
- Shop more at spaza (29.1)
- Same as before (19.4)



Most respondents (41%) who shop at spazas are people who spend between R1 000 and R2 000 on groceries monthly, followed by those who spend between R500 and R1 000, accounting for 22% of participants. For brands, this means recognising that township shoppers often sample various products in different pack sizes as they spend. Some brands actively capitalise on this behaviour, while more established players tend to maintain their position in the market, increasing the likelihood of top-of-mind awareness for emerging brands. In the earlier-mentioned JSE Magazine article, Tiger Brands reports that spazas and related township outlets make up roughly 26% of South Africa's FMCG market, with over 70% of households shopping there regularly, underscoring the sector's pivotal role in driving brand visibility and purchase frequency.

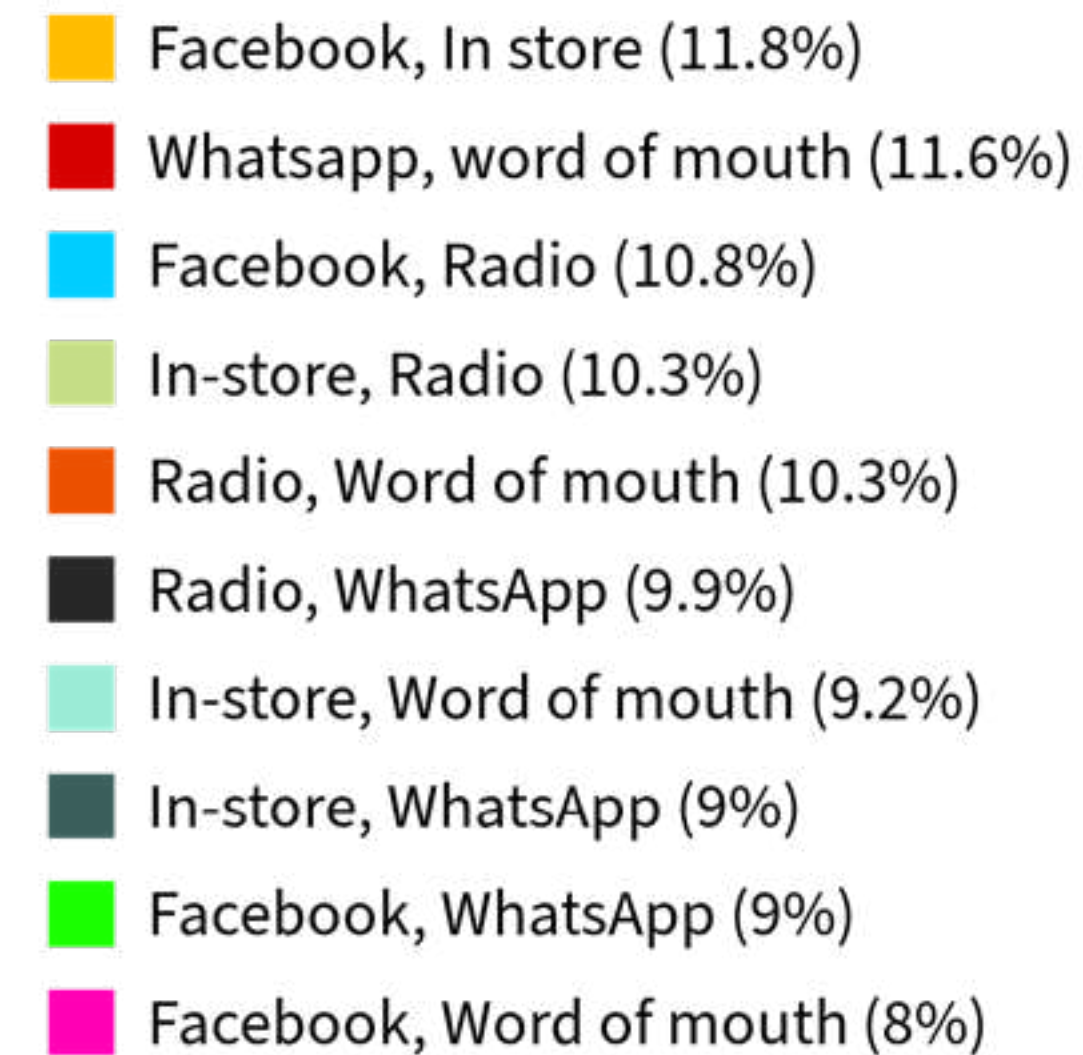


“Over the past five years, word-of-mouth in township communities has steadily shifted towards digital channels.”

RESILIENCE AND OPPORTUNITY

Despite a turbulent year marked by safety concerns and the closure of some outlets, spazas have proven resilient, regaining trust and relevance in their communities. The registration drive has strengthened perceptions of safety and quality, while price, convenience and familiarity with store owners continue to drive loyalty. For brands, the lesson is clear: treat spazas as strategic partners embedded in the social and economic fabric of township life. Ferrini highlights that Tiger Brands now leverages this behaviour by using spazas as hyperlocal sampling hubs, enabling trial of new products in trusted environments while embedding its brands in the community narrative. By leveraging their proximity, agility and community connections, brands can respond to shifting economic pressures, build trust and create shared value that keeps these neighbourhood hubs commercially viable and central to township life.

How do you usually hear about products?



“70% of shoppers who increased their spaza spend rely on Facebook and WhatsApp to discover discounts and new products.”

The 29% of respondents who have increased their spend in spazas over the past year use a combination of social and traditional media to discover products and promotions. Deeper analysis reveals that 70% of shoppers who have increased their spending in spazas rely mainly on Facebook and WhatsApp, as well as in-store promotions, radio and word-of-mouth, to discover discounts and new products. Over the past five years, word-of-mouth in township communities has steadily shifted towards digital channels, particularly closed messaging platforms like WhatsApp.

Commenting on the role of corporates, Mabuza points out that collaboration with spazas is still minimal. “Many companies who want to enter the space misread the township economy and make costly mistakes.” He cites successful models such as Shop2Shop’s profit-sharing partnerships with local influencers and wholesalers, as well as Coca-Cola’s agent and sub-agent system. He also highlights the free-cooler strategy that Pepsi and other brands have used successfully with local distribution centres. These, he says, demonstrate that when corporates adapt, spazas can thrive alongside them.

For brands, this shift makes it essential to design omnichannel strategies that blend naturally into everyday conversations, rather than feeling imposed. Our research shows that when communities encounter compelling deals, especially on groceries, they do not keep them to themselves but actively circulate them across WhatsApp and other private platforms, creating a ripple effect of awareness and trust. Makwaiba stresses that spaza owners should be treated as strategic partners. “By supporting them with relevant products, targeted promotions and genuine community involvement, we can foster resilience, create jobs and ensure these vital centres continue to thrive. Their success is our collective prosperity.”

ADDRESSING KASI NEEDS

At the 2024 Township CX Report launch, Miles Kubheka, CEO of Wakanda and Gcwalisa, urged brands to move away from extractive approaches when engaging with township communities. His business model reimagines the spaza as a refill store where customers bring their own containers to buy the quantities they need, cutting packaging waste and keeping costs manageable. Kubheka credits much of their success to building trust through partnerships with community-based organisations (CBOs) that are deeply rooted in township life.

Our findings show that 42% of respondents who shop more often at spazas are unemployed, with 24% based in Gauteng and 21% in KwaZulu-Natal. When asked about the biggest challenges in their communities, 38% pointed to unemployment and 23% to drugs. Addressing these realities through job creation, relevant products and genuine community involvement can help brands become part of the community fabric, increasing relevance and market share while building resilience in a changing economy.





KEY INSIGHTS

- **41% of township residents say they trust spazas more since the registration drive.**
Brands should build on this renewed trust through consistent quality, transparent practices and strong local relationships.
- **49% of respondents prefer spazas run by familiar store owners.**
Community-rooted store owners offer brands a valuable platform for targeted promotions and deeper engagement.
- **29% have increased their shopping at spazas in the past year.**
This growth group should be nurtured through locally relevant offers, a variety of pack sizes and accessible price points.
- **41% of frequent spaza shoppers spend R1 000–R2 000 monthly on groceries.**
Targeting this group with variety in pack sizes and regular promotions can increase brand share and loyalty.
- **70% of those who increased spaza spend rely on Facebook and WhatsApp for promotions.**
Brands must integrate into these platforms, personalising messaging for township residents, with engaging content and community-driven campaigns to influence purchasing decisions.

FOOD

CHAPTER 3



FLAVOUR FROM EMAKASI TO THE WORLD

South Africa's foodservice market is vast and growing. In 2025, it is valued at \$10.16 billion and is forecast to almost double to \$20.11 billion by 2030, according to Mordor Intelligence¹. While this market is dominated by established chains such as KFC, Debonairs and McDonald's, township communities continue to shape their own unique tastes and traditions.

Our Fast Food and QSR Report – created in collaboration with Rogerwilco, YOUKNOW Technologies and MoyaApp – shows that 73% of mass market consumers, most of whom live in townships, will not compromise on taste even when budgets are under pressure. The R50–R99 spend bracket is the most common, chosen by 35% of respondents. Meals within this range are affordable enough to remain a regular indulgence, while still serving as a family ritual, often enjoyed on weekends².

"73% of mass market consumers won't compromise flavour in favour of affordability."

This reflects themes raised in Chapter 1, where households are carefully spreading their grocery budgets across outlets to manage rising food prices. As discussed in Chapter 2, spazas are regaining importance as multi-purpose outlets. Kotas are often sold in spazas, while shisanyamas frequently double as small supermarkets stocking everyday items. This overlap highlights how township food consumption and shopping habits are deeply interconnected.

This finding is consistent with Chapter 1, where households are carefully spreading their grocery budgets across multiple outlets to manage rising food costs. Just as caregivers stretch grocery spend to cover essentials, they also protect a portion of the budget for fast food, an affordable treat that carries both enjoyment and status.

1. South Africa Foodservice Market Analysis (Mordor Intelligence)

2. South African Fast Food and QSR Insights Report

STREET FAVOURITES AND TRUSTED STAPLES

When asked where they buy fast food in townships, KFC (31%) and Chicken Licken (23%) topped the list. This confirms South Africans' preference for chicken outlets, a trend also reflected in MAPS research, which shows chicken customers increasing from 14.8 million to 15.5 million. MAPS further notes that 16.28 million South African adults ate from the top five outlets (KFC, Chicken Licken, McDonald's, Debonairs and Hungry Lion) in the past month.

However, township eating habits are not fully captured by these numbers. Local shisanyamas, kota outlets (sphatlo or quarter bunny), chicken dust vendors and amagwinya sellers make up a large part of township fast food culture.

THE
FIVE
TOP



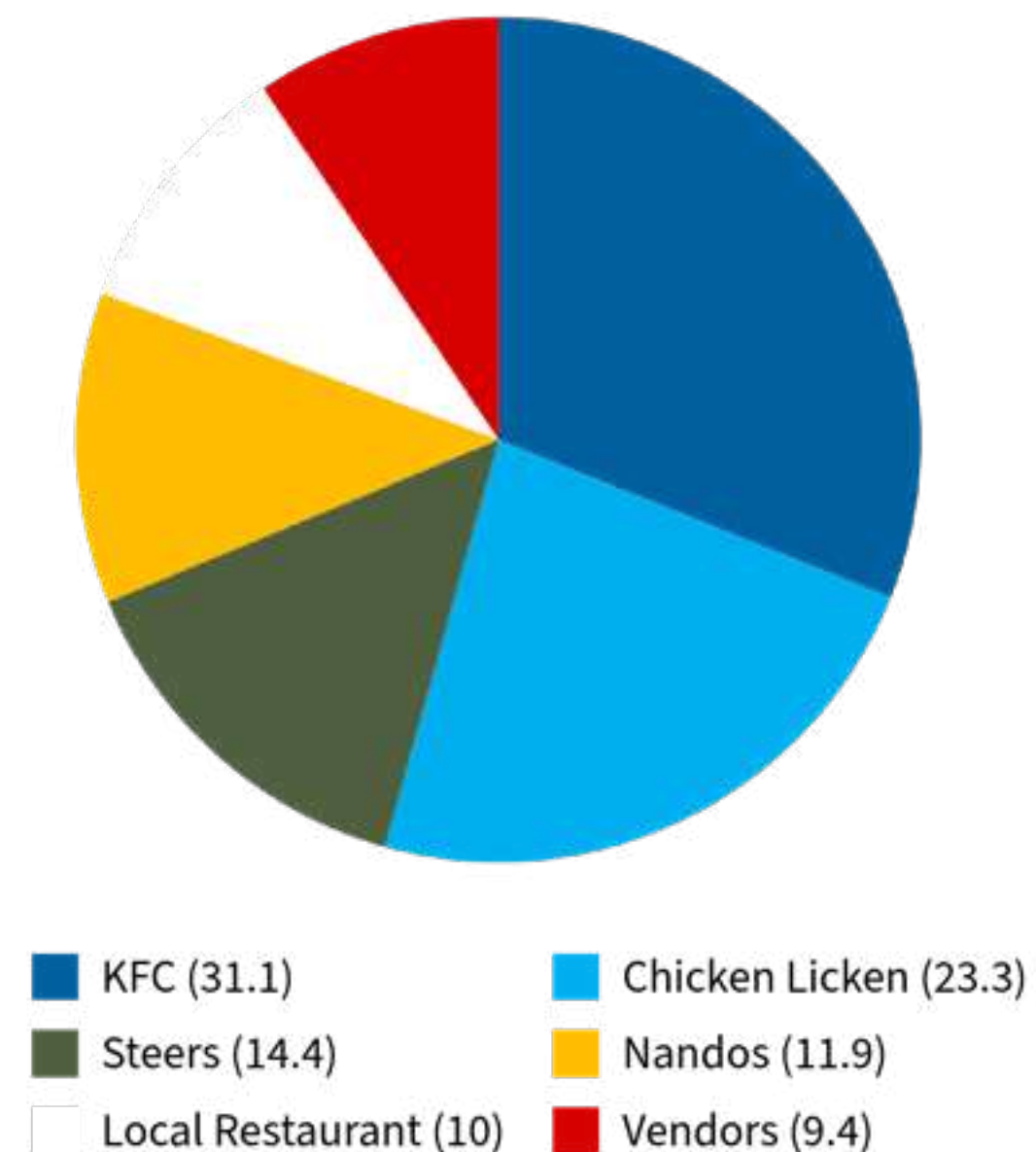
INCOME SHAPES CHOICE

Households earning between R5 000 and R9 999 spend more consistently across fast food outlets, making up 39% of this year's respondents, nearly double the 20% reported in 2024. Within this bracket, Steers (41%) is marginally ahead of KFC (40%), showing that slightly higher disposable income allows households to consider variety and perceived quality.

Lower-income households still make significant contributions. Among those earning between R1 000 and R4 999, 38% reported buying fast food regularly, with KFC and Chicken Licken almost tied for popularity. These findings echo Chapter 1: even while inflation drives up the cost of basic groceries, township consumers reserve part of their spend for affordable indulgences.

A closer look at monthly spend shows that 34% of respondents spend between R251 and R500 on fast food, mostly from households earning between R1 000 and R9 999. Within this group, KFC and Chicken Licken remain almost equally popular. As Rogerwilco's Senior Brand Strategist, Mongezi Mtati, observes: "If the queues at KFC and Chicken Licken are anything to go by, these are two of the most popular stores in townships. The reliability of flavour makes them the easy go-to, especially when visiting an unfamiliar township where people may avoid experimenting with new outlets."

In your local township, where do you usually buy fast food?



"Fast food in townships goes beyond global chains; shisanyamas, kotas and chicken dust remain trusted staples."

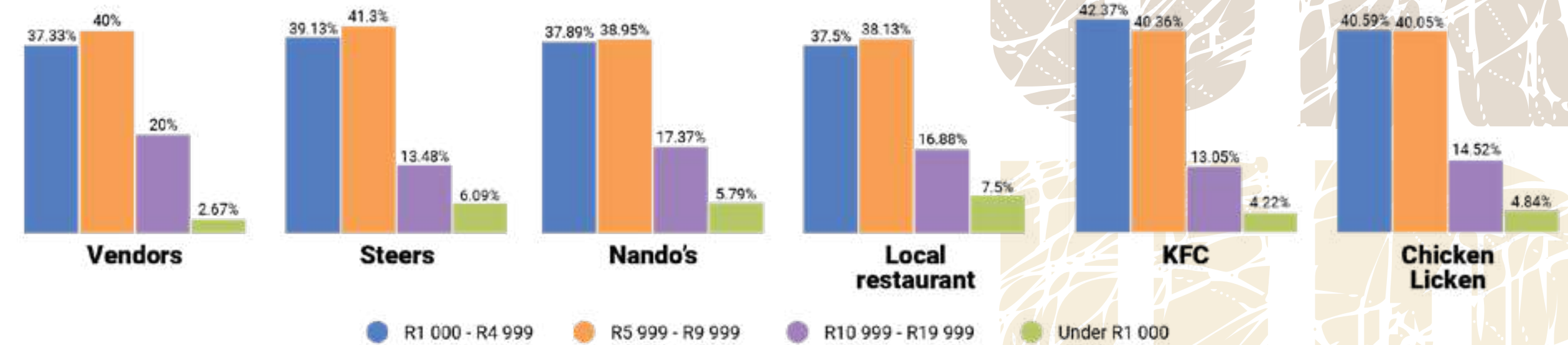
THE ROLE OF MOMS AND CAREGIVERS

The Fast Food and QSR Report also shows that mothers and caregivers are the primary decision-makers, with 69% of respondents saying they choose which fast food outlets their families eat from. This insight echoes the pattern seen in Chapter 1, where caregivers manage the bulk of grocery spend. Their decisions reflect a balance of affordability, quality and dignity.

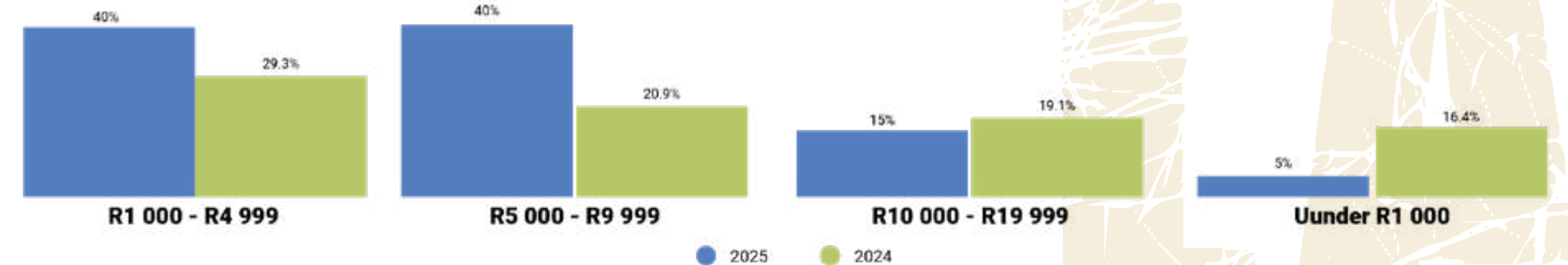
MoyaApp's Head of Research, Shana Abrahams, notes: "They are value-driven, but not at the expense of quality or dignity."

"Kasi cuisine isn't only about eating, it's about identity, resilience and pride."

Products in the last 12 months



Fast food by income outlets



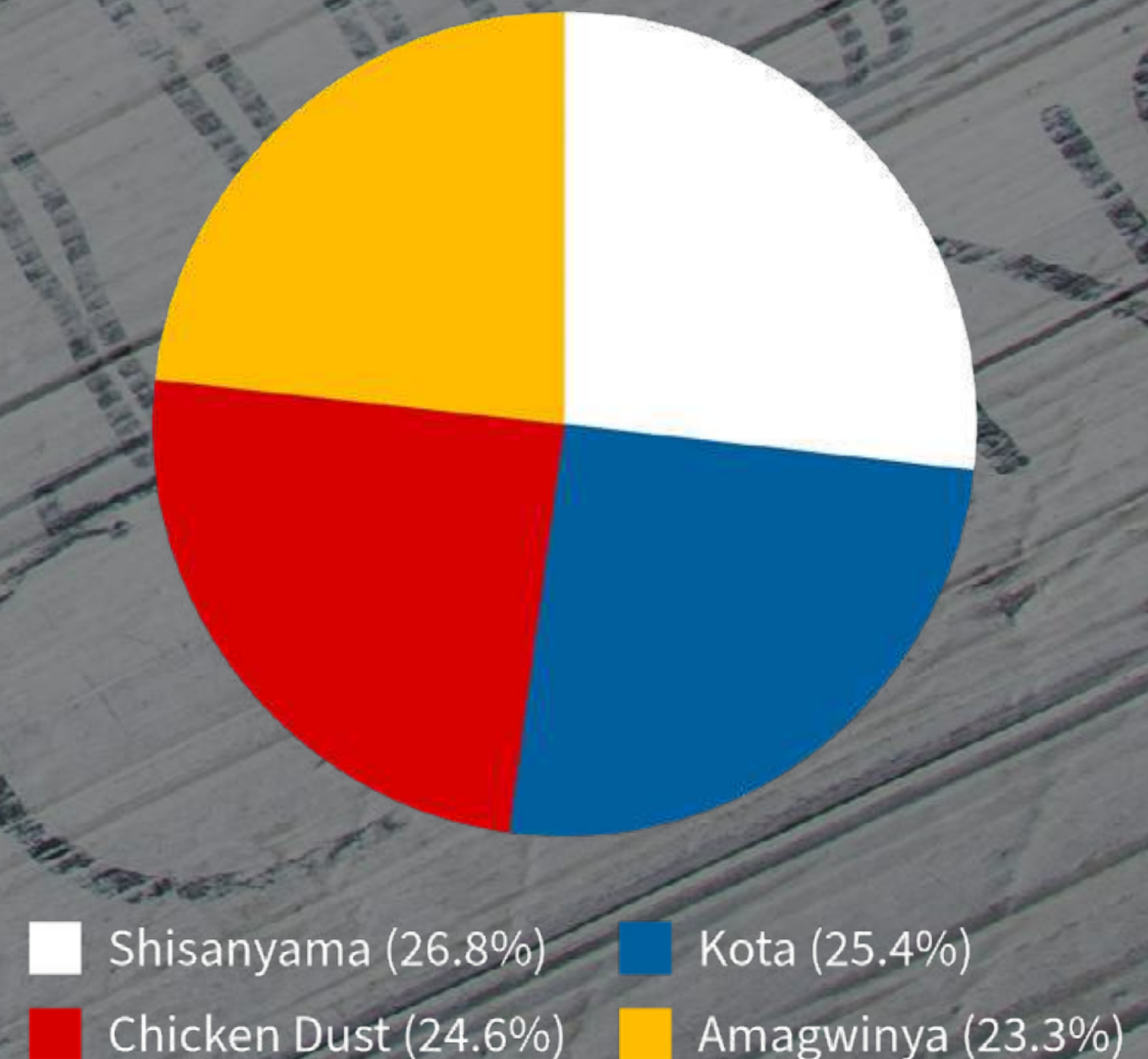
SHISANYAMA OR KOTA - NOT JUST CHICKEN OR BEEF

Survey results show that 26% of respondents prefer shisanyama, with 25% choosing kota. While close in popularity, these foods reflect different contexts of consumption. Shisanyamas are increasingly seen as a group meal eaten over drinks with friends. With beef prices climbing 21.2% year-on-year, one of the sharpest increases reported in Chapter 1, the cost of eating at a shisanyama has risen, making it less frequent for many households.

Kotas, in contrast, remain an everyday indulgence. Their affordability lies in their flexible ingredients: bread and chips as staples, with polony, cheese, eggs, or Russian sausages added depending on what the buyer can afford. Prices range from around R20 for a basic kota to more than R100 for a fully loaded version. This adaptability has kept kotas central to township eating, especially when inflation squeezes household budgets.

Among kota buyers, 44% are unemployed, underlining its role as both an affordable staple and a social indulgence. Age splits show that 30% of people aged 25–34 prefer kotas, while shisanyamas are slightly more popular among 35–44-year-olds (31%).

What is your favourite fast food to buy in the township?



“Kotas adapt to every pocket, from about R20 basic ones to R100-plus for fully loaded versions, they remain township favourites.”

FROM WORD-OF-MOUTH TO DIGITAL DISCOVERY

The awareness of township fast food outlets is no longer spread only through word-of-mouth on the street. As Chapter 2 showed, WhatsApp, Facebook and in-store promotions now dominate how shoppers discover grocery deals. The same applies to fast food. Content creator and storyteller Dali Monageng, better known as Dali Danger, points out that discovery now happens faster online than it ever did by word of mouth. “TikTok has become a powerful platform for showcasing township food spots. A single video can put a hidden gem from ekasi on the map overnight, because these platforms don’t just show the food, they capture the people, the atmosphere and the stories behind the meals.”

Videos of stacked kotas or sizzling meat at shisanyamas are widely shared on TikTok and Instagram, turning everyday township meals into cultural symbols. “Unlike in the past, where township food outlets relied largely on local word-of-mouth to generate awareness, they now increasingly spread through social media, with TikTok as one of the leading platforms,” says Rogerwilco’s Business Development Director, Thabani Maluleka.

Social media has a huge influence in giving visibility to people in the industry. It offers a chance to be celebrated and seen by a wider market beyond the local one,” says Bongani Mabuza, founder of African Accent and a spaza owner. He notes that social platforms help to amplify township food outlets such as kota shops and kasi food stores.

Echoing a similar sentiment, Dali believes kasi food will keep growing because it delivers on flavour and community, even when money is tight. “In the next few years, I see more brands partnering directly with township outlets and creators — not just to sell food, but to amplify the stories, heritage and innovation behind them. Kasi cuisine isn’t only about eating, it’s about identity, resilience and pride.”

For brands, this presents an opportunity to collaborate with township-born outlets. Just as supermarket brands run sampling campaigns, fast food and FMCG brands could partner with shisanyamas to include complementary products like chakalaka or maize meal, which is a strategy largely utilised by Coca-Cola. Similarly, kota sellers already rely on bread, chips and sandwich fillings that many township homes also buy as groceries. Sampling them through kotas could create a loop between fast food purchases and home grocery decisions.



KEY INSIGHTS

- **73% won't compromise on flavour.**

Township consumers place taste above affordability. Brands need to lead with flavour innovation and consistency to remain competitive.

- **KFC (31%) and Chicken Licken (23%) dominate township queues.**

Chicken brands remain the safe choice. QSR players should leverage their reliability while exploring ways to add local twists.

- **Fast food spenders in the R5 000–R9 999 bracket have grown to 39%, nearly double 2024's 20%.**

Mid-income township families are an expanding growth segment that should be targeted with promotions and bundle offers.

- **69% of fast food decisions are made by moms and caregivers.**

This group balances budgets and family preferences, making them the key audience for targeted marketing and brand messaging.

- **38% of households earning R1 000–R4 999 still buy fast food regularly.**

Despite tight budgets, lower-income families remain active consumers. Affordable deals and smaller pack sizes can secure their loyalty.

DIGITAL

CHAPTER 4



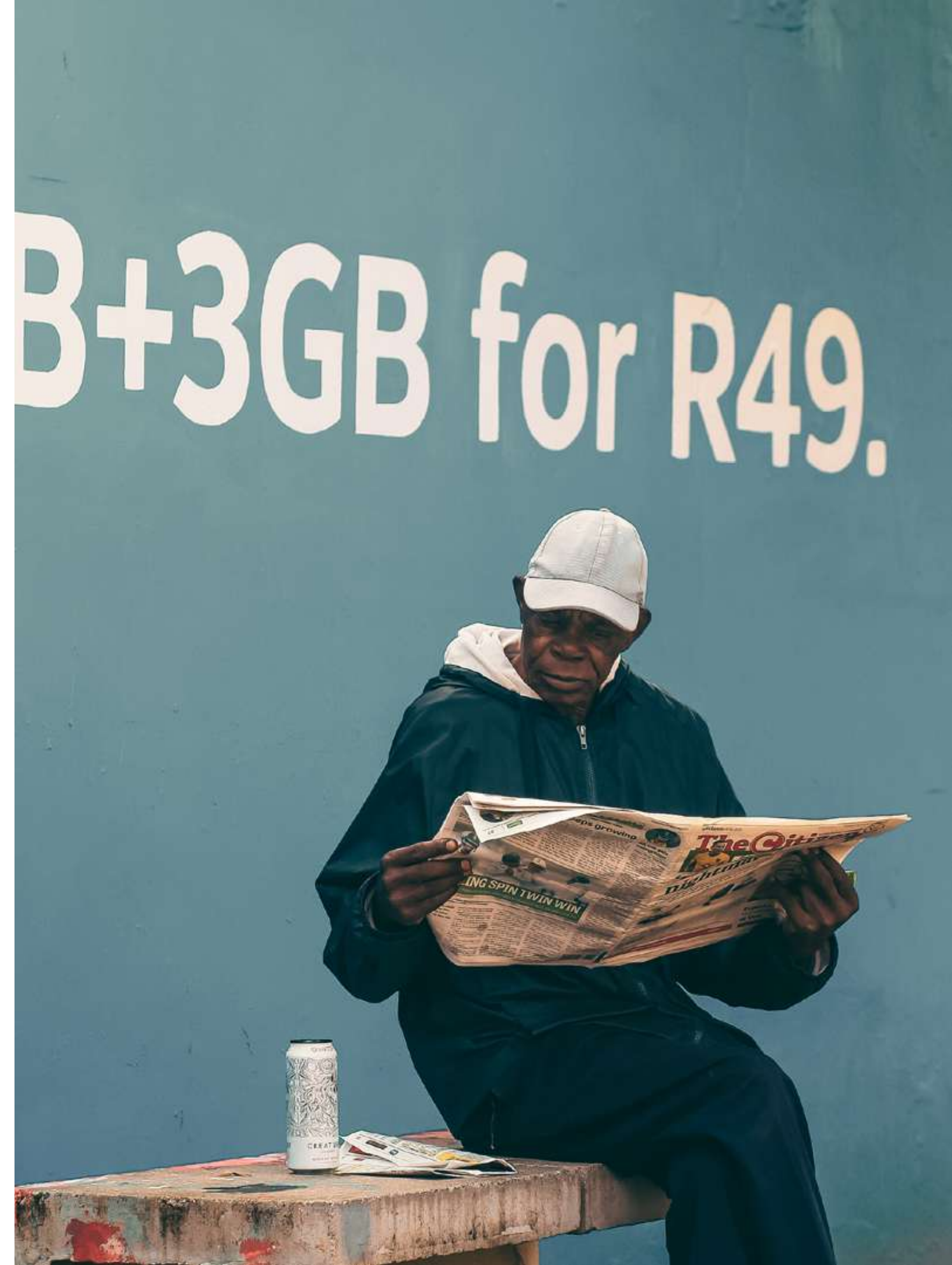
DIGITAL HOODS TRANSFORM CUSTOMER EXPERIENCE

South Africa's internet landscape is undergoing rapid change. According to Meltwater's Digital 2025 South Africa report, 78.9% of the population is now online, equivalent to 50.8 million people, which marks a sharp increase from the previous year¹. Mobile remains the main way people connect, while fixed household connections, such as fibre, are still limited. In townships, this rise in connectivity is shaping how people shop, discover brands and earn an income. Research by Trade Intelligence, cited in the Cape Argus, estimates that township trade brings in about R200 billion a year². At the same time, the 2023 Township CX Report found that 60% of residents either sell products and services online or know someone who does, pointing to the scale of digital activity taking root in these communities.

Bongani Soko, Co-Founder and Business Development Director at Godlela, notes that connectivity has transformed the way township life is shared and experienced. "What once stayed within the community now travels further through social platforms like TikTok. That's how I discovered Kwa Coach in Pimville, run by Retshidisitswe Mfekere, which now attracts attention well beyond its neighbourhood. Township experiences have become something people seek online, turning everyday moments into a wider cultural experience."

1. South African Digital & Social Media Statistics 2025 (Meltwater)

2. Township e-commerce: Unlocking R200 billion in digital trade opportunities (Cape Argus)



CONNECTIVITY AS CURRENCY FOR OPPORTUNITY

Connectivity spend in 2025 reflects both constraint and intent. For many township households, data is a major budget item, with 37% spending between R251 and R500 per month on mobile data or Wi-Fi, and 27.5% spending between R501 and R1 000. Within the R251–R500 group, 81% connect only through mobile devices, 77% have no Wi-Fi at home, while 11% supplement with public Wi-Fi. This shows how mobile networks remain the default gateway to the internet, with public Wi-Fi acting as a stopgap rather than a primary solution.

These are largely lower-income households, with 52% earning between R1 000 and R4 999 per month and 47% earning R5 000–R9 999. Even when budgets are under pressure, data is prioritised. For brands, this underlines the need for mobile-first, low-data or data-free channels that meet consumers where they are. This, as highlighted in Chapter 1, will contribute to finding grocery deals and other spend.

Dr Semona Pillay, Senior Lecturer at the University of Johannesburg, supports this recommendation for “mobile-first, low-data solutions that deliver real utility, build trust and remove friction.” She notes that while barriers of affordability, limited infrastructure, and digital literacy persist, the government’s digital transformation roadmap is a positive step, and mobile devices are already enabling job seeking, information access, and social interaction in many communities.

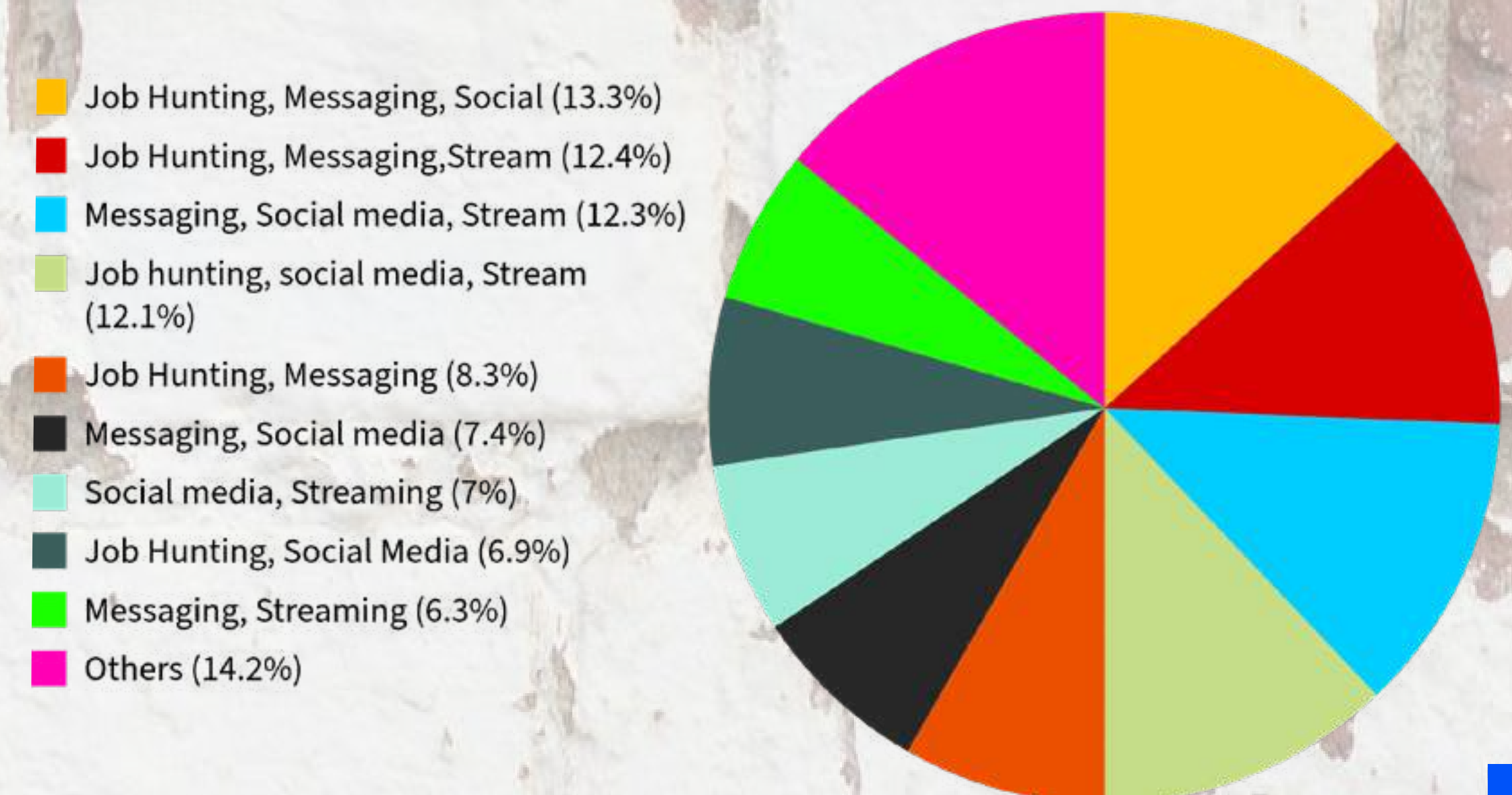
“Data spend is treated as a non-negotiable, even in households under financial strain.”

ASPIRATION SHAPES BEHAVIOUR

Patterns show how aspiration shapes digital behaviour. In the R251–R500 band, the largest share (13%) uses connectivity for messaging, social media and streaming. At higher spend levels of R501–R1 000, 14% prioritise job hunting, messaging and social media, with 60% overall in this group reporting job hunting as a core activity in combination with other uses. Our earlier research has pointed to a surge in township digital activity, with households increasingly turning to online channels for income.

Discovery is part of this cycle. In 2024, 27% of township residents said they discovered brands on social media, while 41% said they trusted brands less if they were not present online. This reliance on digital platforms for discovery and validation illustrates why connectivity is more than just entertainment: it underpins how people decide what to buy, where to shop and which brands they trust

What do you use the internet for most?



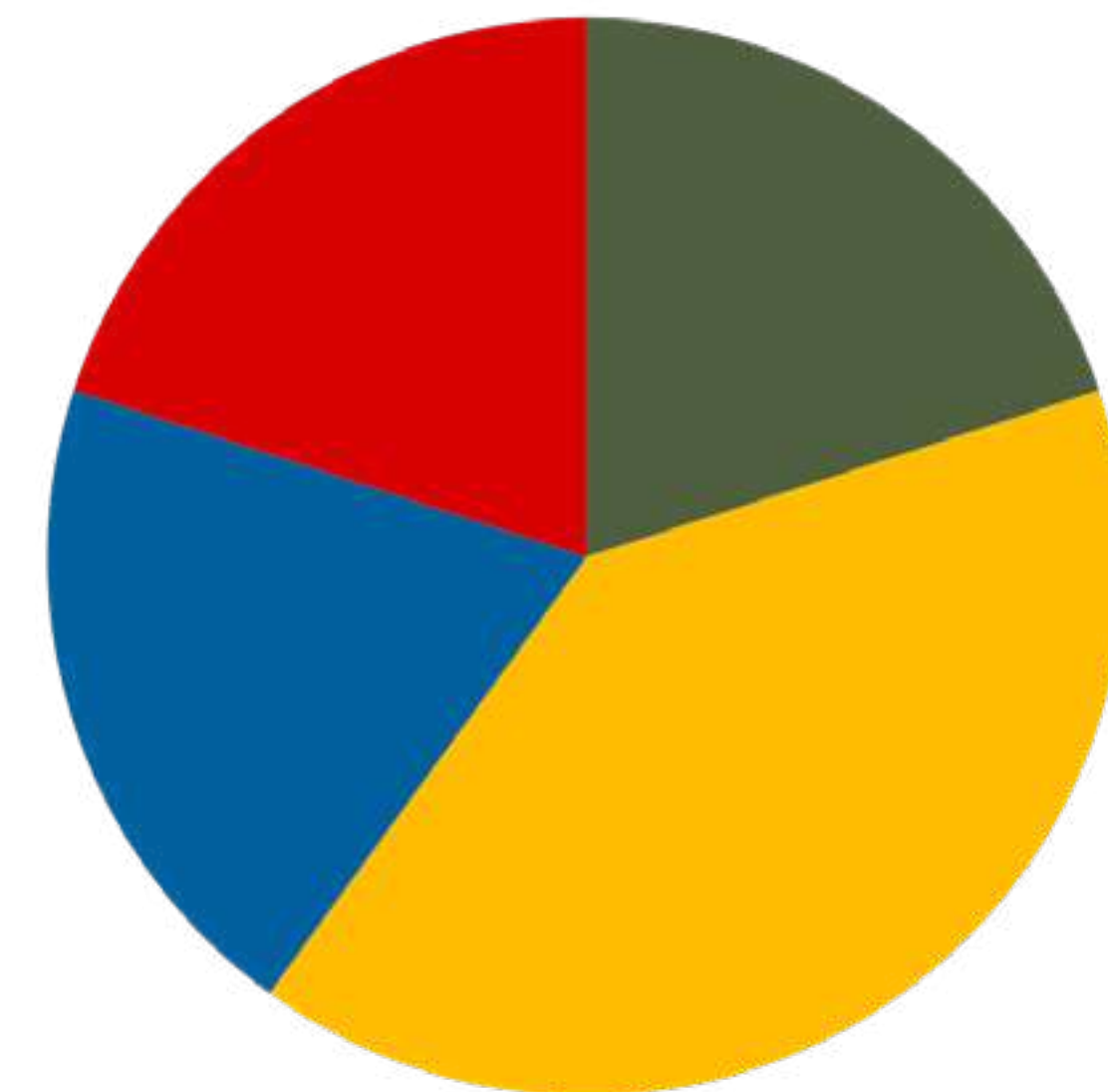
NUANCED E-COMMERCE ADOPTION

Township e-commerce behaviour is evolving rapidly, and our data shows a nuanced picture. When asked whether they had used an app or website to buy groceries or fast food in the past 12 months, 40% of our participants said never, while 20% said sometimes. Among those who sometimes shop this way, 80% connect via mobile devices and 40% spend between R251 and R500 a month on data, pointing to how mobile-first usage patterns enable access but also highlight affordability. This suggests that digital retail remains an occasional rather than habitual practice for many, with spend thresholds and device access shaping adoption.

Demographics sharpen the picture, as we find that among those who sometimes shop online for food, 56% are women, with the largest age brackets being 35–44 (26%) and 25–34 (25%). In terms of household economics, 42% of these women live in households earning R5 000–R9 999 while 37% are in households of four to five people. This mirrors patterns we highlighted in our Fast Food and QSR Report, where women caregivers aged 25–44 were shown to drive family food decisions. As Bongani Soko of Godlela observes, women often lead the push to get connected, seeing the internet as a tool for education and opportunity that supports their families. In this sense, connectivity is not just about access but about empowerment and ensuring the digital world meets everyday needs. For brands, the key insight is that women in this bracket are not only decision-makers at home but also early adopters of digital shopping habits. Campaigns that speak directly to them, combining affordability with convenience, will unlock township e-commerce growth.

Dr Pillay adds that the uptake of e-commerce in townships has been relatively slow due to issues of trust, payment security and delivery logistics. She highlights the ingenuity of township entrepreneurs who have launched locally developed platforms such as Delivery Ka Speed, KasiD, MojaPay and SpazApp. These apps enhance customer experience, create jobs, and support local businesses, demonstrating how tailored digital tools can address township realities.

Over the past 12 months, how often have you used an app or website to buy groceries or fast food?



Often (20%)
Rarely (20%)
Sometimes (40%)
Never (20%)

OPPORTUNITY MEETS OBSTACLES

The barriers are clear, with more than a third (36%) of respondents in this group saying they rely on piece jobs as their main source of income. This underscores why reliability and cost remain sticking points. This is echoed in broader CX data, where the 2025 SA Customer Experience Report highlights that even as national e-commerce penetration has risen, adoption continues to be income-led and largely occasional⁴. For township consumers, this means digital commerce is less about replacing in-store purchases and more about supplementing them when deals, delivery speed, or convenience outweigh cost.

In 2024, the Township CX Report highlighted that 45% of residents cited ISP reliability and 43% pointed to the high cost of data as the biggest barriers to wider online adoption. These constraints have not disappeared. The 2025 findings show that most township households remain mobile-only users, with very limited access to home Wi-Fi, and that data spend is still treated as a non-negotiable even in low-income households. The persistence of these barriers explains why digital adoption in categories like groceries and fast food remains occasional rather than habitual.

“When platforms are inclusive and practical, they don’t just enable transactions,” Dr Pillay says. “They strengthen township economies and make digital participation sustainable.” For brands, this means the challenge is less about sparking interest and more about removing friction, simplifying mobile-first shopping journeys, reducing data burdens and building trust through reliable digital experiences.

“For township consumers, digital commerce is less about replacing in-store purchases and more about supplementing them when deals, delivery speed or convenience outweigh cost.”

Demographics sharpen the picture, as we find that among those who sometimes shop online for food, 56% are women, with the largest age brackets being 35–44 (26%) and 25–34 (25%). In terms of household economics, 42% of these women live in households earning R5 000–R9 999 while 37% are in households of four to five people. This mirrors patterns we highlighted in our Fast Food and QSR Report, where women caregivers aged 25–44 were shown to drive family food decisions. As Bongani Soko of Godlela observes, women often lead the push to get connected, seeing the internet as a tool for education and opportunity that supports their families. In this sense, connectivity is not just about access but about empowerment and ensuring the digital world meets everyday needs. For brands, the key insight is that women in this bracket are not only decision-makers at home but also early adopters of digital shopping habits. Campaigns that speak directly to them, combining affordability with convenience, will unlock township e-commerce growth.

Dr Pillay adds that the uptake of e-commerce in townships has been relatively slow due to issues of trust, payment security and delivery logistics. She highlights the ingenuity of township entrepreneurs who have launched locally developed platforms such as Delivery Ka Speed, KasiD, MojaPay and SpazApp. These apps enhance customer experience, create jobs, and support local businesses, demonstrating how tailored digital tools can address township realities.





KEY INSIGHTS

- **37% spend R251–R500 per month on connectivity.**

For most households this is a major budget line, competing directly with essentials like food. Mobile-first, low-data experiences are critical.

- **60% of higher-spend users report job hunting as a core activity.**

Data is seen as a pathway to opportunity, not a luxury. Platforms that support employment and side hustles will gain traction.

- **Women aged 25–44 drive digital shopping habits.**

More than half of those who sometimes shop online for groceries or fast food are women, aligning with their role as household decision-makers.

- **36% rely on piece jobs for income.**

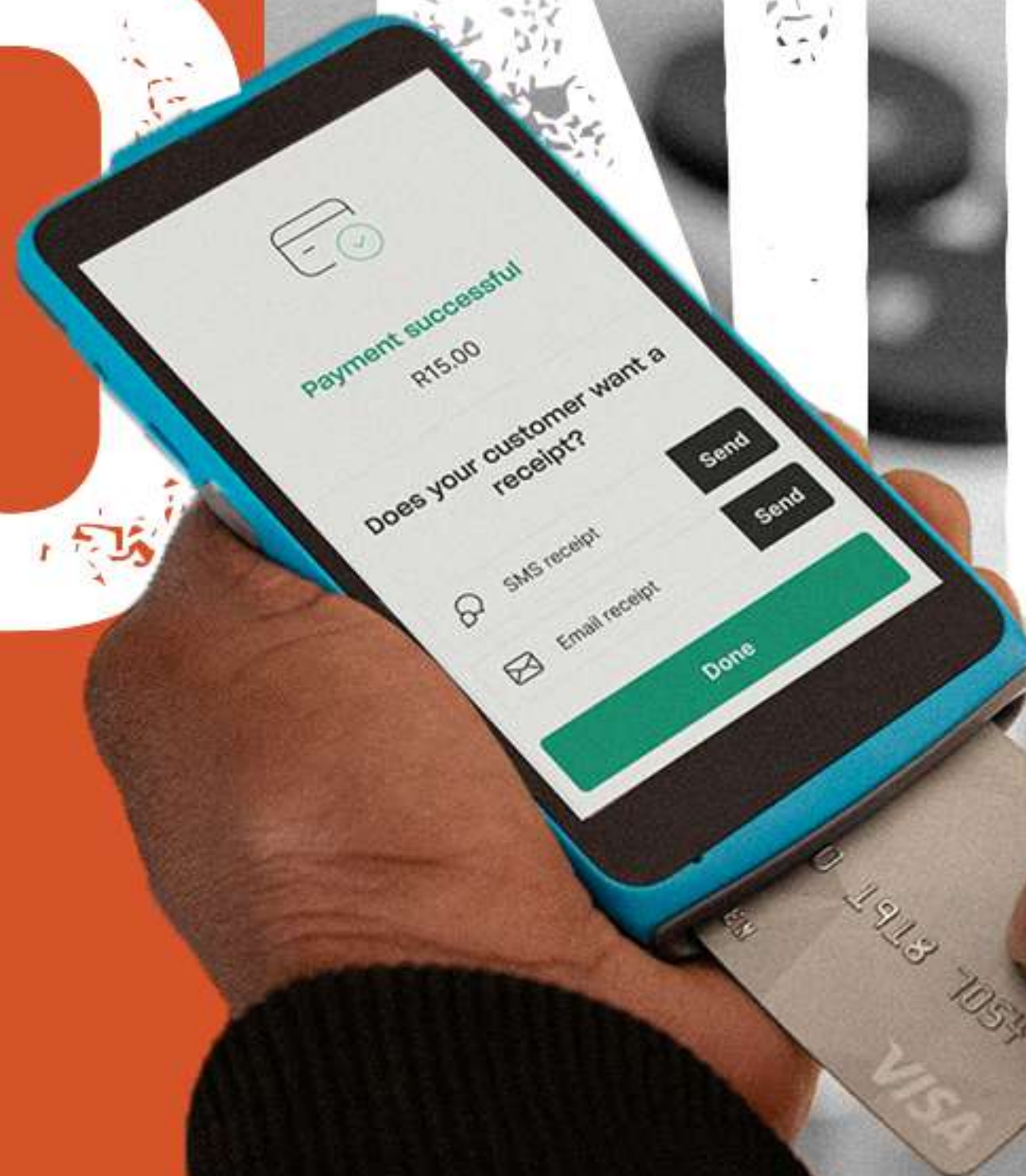
Unstable incomes amplify sensitivity to connectivity costs and reliability, underscoring the need for affordable, friction-free digital journeys.

- **40% have never used an app or website to buy groceries or fast food.**

E-commerce is still occasional rather than habitual in townships, with adoption shaped by income levels, data affordability and trust.

MONEY

CHAPTER 5



EVERY RAND COUNTS

South Africa's saving culture remains fragile against the weight of economic realities. The country's household saving rate dipped to -1.2% in the first quarter of 2025, showing how little room most families have to set money aside¹. For lower-income households, especially those in townships, the pressure is even sharper. Data from FNB shows stokvel savings rose from R8 billion in December 2023 to R13.3 billion by December 2024, marking a 66 percent increase, as communities lean harder on collective saving to survive and save for essentials².



1. South Africa Household Saving Ratio (Trading Economics)

2. Stokvel deposits soar to R13.3bn, says FNB (Moneyweb)

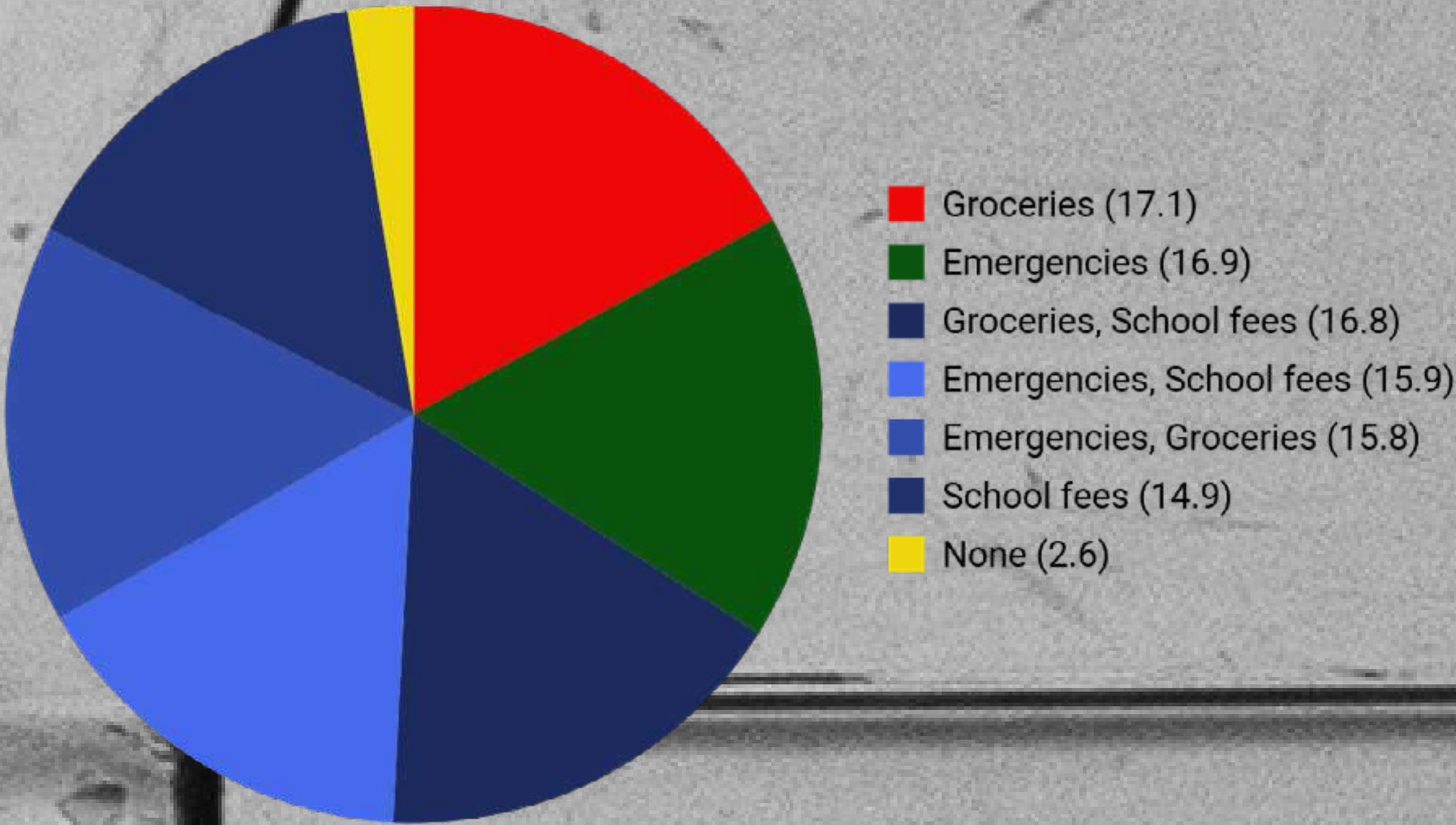
WHY SAVE?

For township communities, stokvels remain one of the most trusted ways to save. In 2023, our data showed that more than half (51%) of respondents belonged to one or more stokvels, up from 41% the year before. By 2025, this figure has climbed to 71% of respondents, marking a 39% increase in just two years and underscoring how deeply stokvels have become part of township financial life. This steady rise confirmed that people prefer saving with friends and family, anchored in trust and shared responsibility. By 2024, stokvels were described as a cornerstone of the township “trust economy,” where value and reliability outweighed formal banking channels. As Tshepo Moloi, CEO of StokFella, explains, this trust is rooted in human connection. Members know one another, meet regularly and hold each other accountable, making stokvels feel closer to township realities than formal savings products.

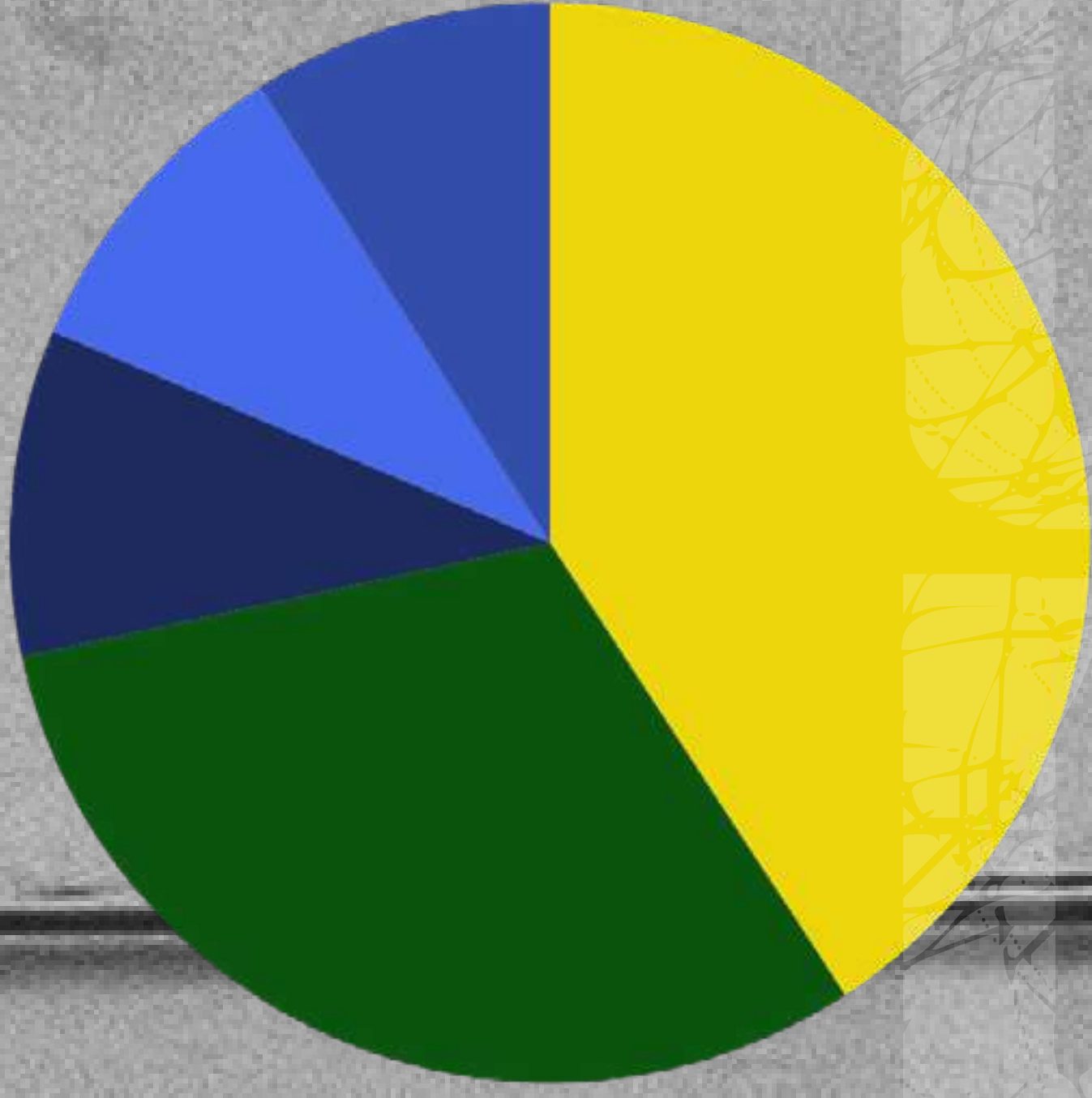
Our 2025 findings reinforce this. From the 1 600 township residents surveyed by Field & Insights Africa and the 3 820 surveyed by MoyaApp, a clear pattern emerges. Our findings show that saving is driven by immediate needs rather than long-term wealth building. When asked why they save, 17% said groceries, 16% pointed to emergencies, and 14% mentioned school fees. Looking at stokvel types, 40% of respondents belong to grocery stokvels and 30% to funeral stokvels. Both reflect the realities of township life, which is largely about providing for basic needs and preparing for unavoidable expenses. Moloi adds that stokvels are more than financial tools; they are social contracts that combine savings with solidarity, offering a sense of belonging and purpose, as well as financial benefits.

“Stokvels succeed because they are trusted, accountable and rooted in community.”

What is the main reason you save?

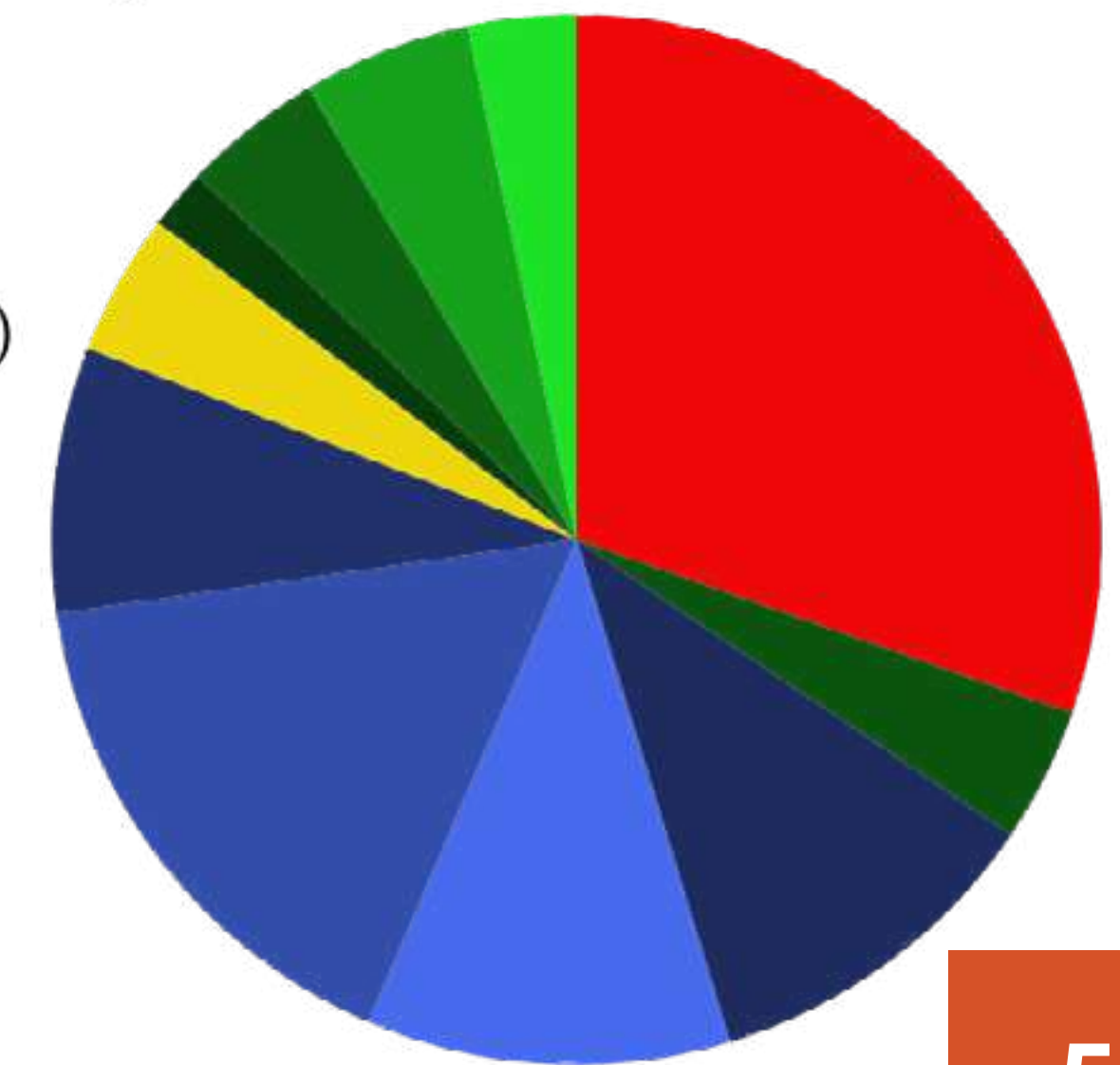


What type of stokvel are you part of?



This year we also asked how many stokvels people belong to. Nearly half (45%) are members of one stokvel, while a further 25% participate in two. This layered membership shows how households diversify their commitments, often joining both a grocery stokvel to secure food and a funeral stokvel to cover future obligations. According to Moloi, most stokvels range between 10 and 30 members, which is small enough to keep discipline among friends and family, but large enough to pool resources that make a real difference to household needs. For many, belonging to more than one stokvel is about meeting different, non-negotiable needs. As Shana Abrahams, MoyaApp's Head of Research, notes, stokvels succeed because they are trusted, accountable, and rooted in community, which are qualities that formal financial institutions often fail to match. For banks hoping to connect with township residents, building transparency and genuine relationships remains essential.

Where do you mostly save?



MoyaApp's Township Money Matters survey adds further depth, showing that only 35% of residents save regularly, and most of this saving happens through informal methods. Nearly a third (29%) keep cash at home, 39% belong to grocery or other types of stokvels. The main reasons for saving mirror our own survey, with 45% saving for emergencies, 36% for groceries and 33% for school needs. With 65% not saving at all, these small, irregular contributions highlight a survival-first mindset. Moloi notes that stokvels continue to evolve to meet these pressures. StokFella's Marketplace, for example, was launched in response to grocery stokvels needing easier access to bulk goods, showing how traditional systems adapt without losing their strengths.

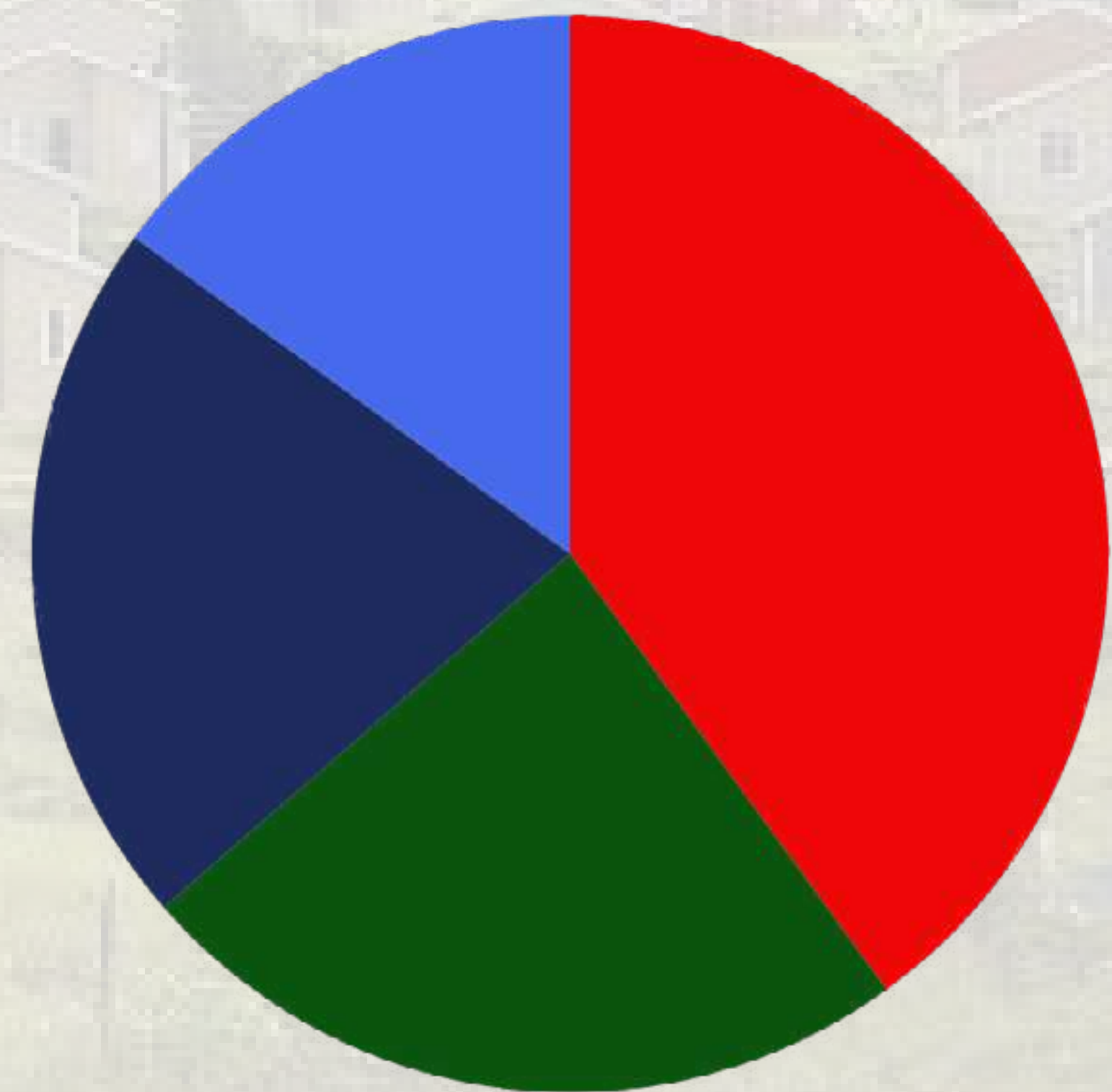
Formal banking, while widely accessible with 91% of respondents having a bank account, often fails to connect meaningfully. The perception of high banking fees and lack of relevance pushes residents towards stokvels. "As banks and other financial institutions want to gain trust with township residents; it's imperative to show transparency and build relationships with communities, which is where stokvels win", says Shana Abrahams, MoyaApp Head of Research.



SPENDING AND SAVING ARE TWO SIDES OF THE SAME COIN

The close link between grocery spend and saving is clear in both our survey and national data. Township households, as revealed by the Township Money Matters survey, spend most of their income on essentials, with groceries topping the list at 68% of household budgets, followed by airtime and data (38%) and school-related costs (34%). This aligns with Chapter 1, where 39% of shoppers said they switch brands when grocery prices rise, and 21% change stores altogether.

Have you borrowed money in the last 6 months?



Family/friends (40) No (23.6)
Loan shark (21.4) Bank (15)

"Borrowing from loan sharks places future income at risk, creating a cycle of debt that is difficult to escape."

Debt Rescue's 2025 study found that 75% of adults who borrowed in 2024 did so to cover essentials, with 43% relying on credit just to put meals on the table. Among women, 40% of whom are single mothers, the financial strain is heavier. They report that 63% of income goes to essentials and 60% have no emergency savings³. Our 2025 survey results echo this dependency on borrowing. When asked if they had borrowed money in the last six months, 40% of respondents said yes, from family and friends, 21% from informal lenders (sometimes referred to as loan sharks), and 15% from banks.

As Tinashe Manyanya of Wonga highlights, borrowing is often a lifeline rather than a choice. Their 2025 Credit Utilisation Survey found that 27% of respondents borrow every month just to get through, while 65% have been declined for formal credit. This edges many towards mashonisas (informal lenders) who charge high interest and operate outside regulation.

Wonga's research also found that 26% of borrowers use loans for developmental purposes such as education, housing or business, but often rely on expensive or informal products because formal options remain out of reach. This highlights an opportunity to design safer, more affordable credit that supports long-term stability rather than deepening cycles of debt.

In this context, Shana Abrahams, Head of Research at MoyaApp, emphasises that stokvels are not just savings clubs but safety nets, providing certainty in moments of crisis and helping families manage expenses that formal products often cannot cover. Faced with this squeeze, stokvels and grocery clubs become tools of necessity rather than choice. Saving for groceries through collective schemes ensures households can buy in bulk or access food when cash runs out. It also explains why, in our 2025 data, groceries and emergencies dominate the reasons for saving. Stokvels give township residents a way to stretch their rand, creating security where incomes and prices are constantly in flux.

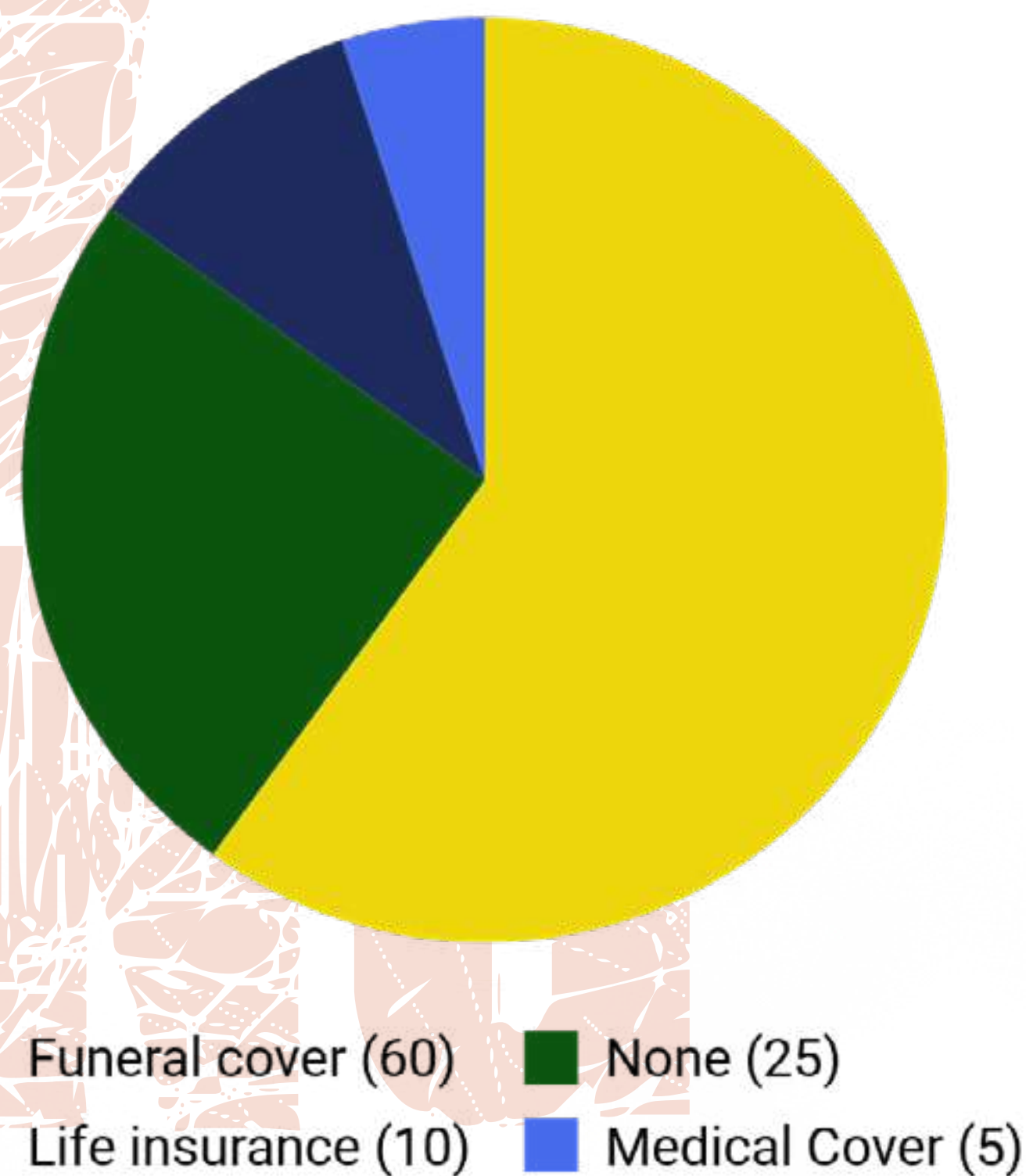
3. Financial crisis deepens for South African women, 40% being single mothers (IOL)

SAVING FOR THE INEVITABLE

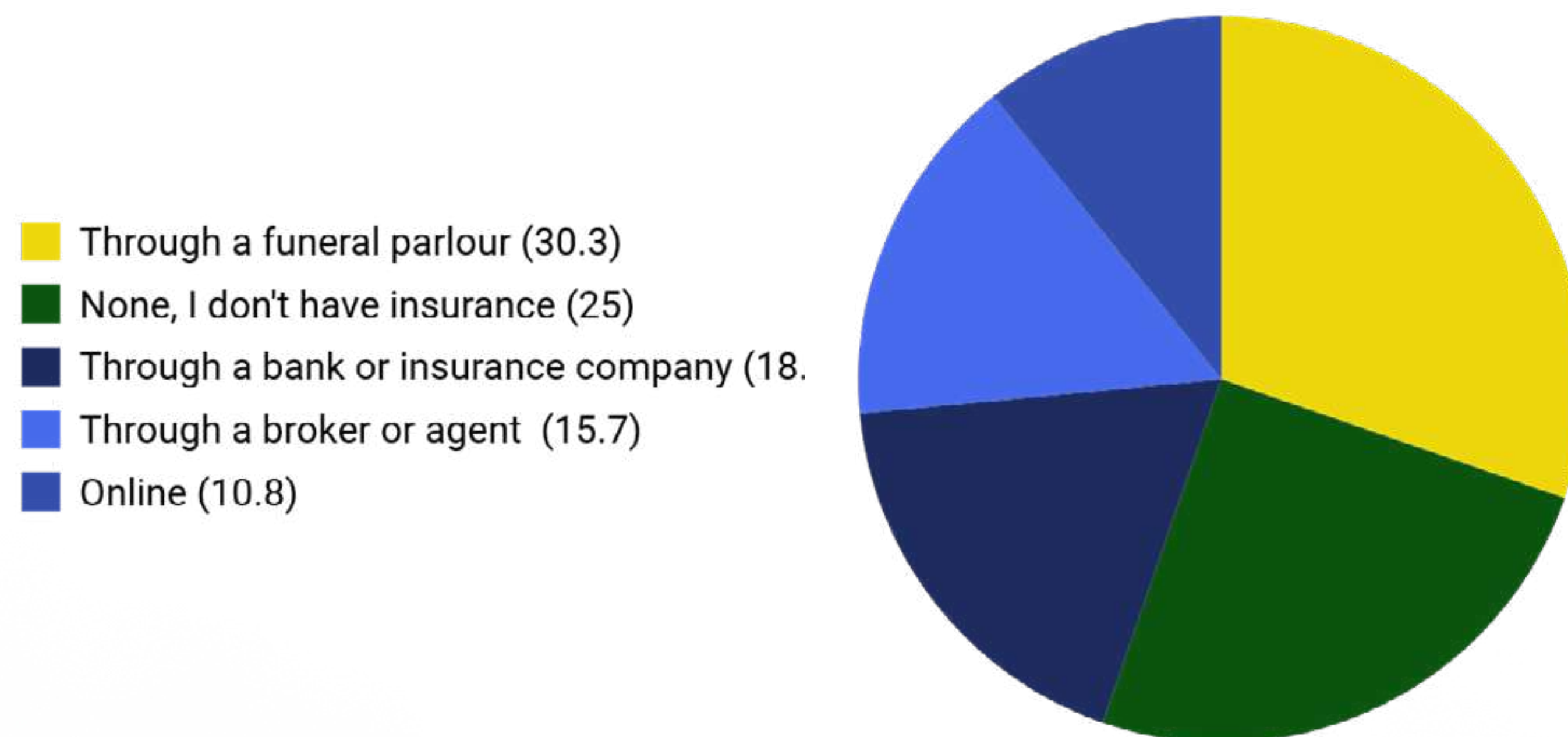
Funeral arrangements remain a significant financial burden, shaping saving and insurance behaviour in townships. Our 2025 survey shows that 60% of respondents have funeral cover, compared with 10% who have life insurance and just 5% with medical cover. Most policies are arranged through channels embedded in community life, with 30% saying they obtained cover through a funeral parlour, another 30% through a broker or agent, and 18% through a bank. Lindelwa Skenjana, Head of Digital Marketing and Customer Experience at Sanlam Retail Mass, notes that townships have become economic hubs worth an estimated R900 billion annually, and showing up in these spaces requires trust and relevance from financial services.

BOO
LO
LA

Which of the following insurance or financial protection products do you currently have?



Where do you sign up for your insurance products?



“Even households without stable income prioritise funeral protection, highlighting its cultural and financial importance.”

Funeral parlours in particular play a central role, offering accessible points of entry and affordable premiums that align with household budgets. Our data also shows a clear difference in who takes up these products. Among respondents with funeral cover, 42% are unemployed. By contrast, 49% of those with life insurance are employed or self-employed. This shows that funeral cover is prioritised by households without steady income, while life insurance is more likely to be taken up by those in formal or stable work. It underlines the reality that while funeral cover remains the cultural and financial priority, life insurance still feels out of reach for many township residents.

Employment and lifestyle patterns shape how people encounter financial products. Employed residents spend most of their working hours outside the township, in towns or economic hubs, where they are more likely to be targeted with advertising such as digital campaigns that position life insurance products. Skenjana emphasises that insurers who intentionally show up in townships through branches, advisers or community initiatives are better placed to build resilience and financial confidence.

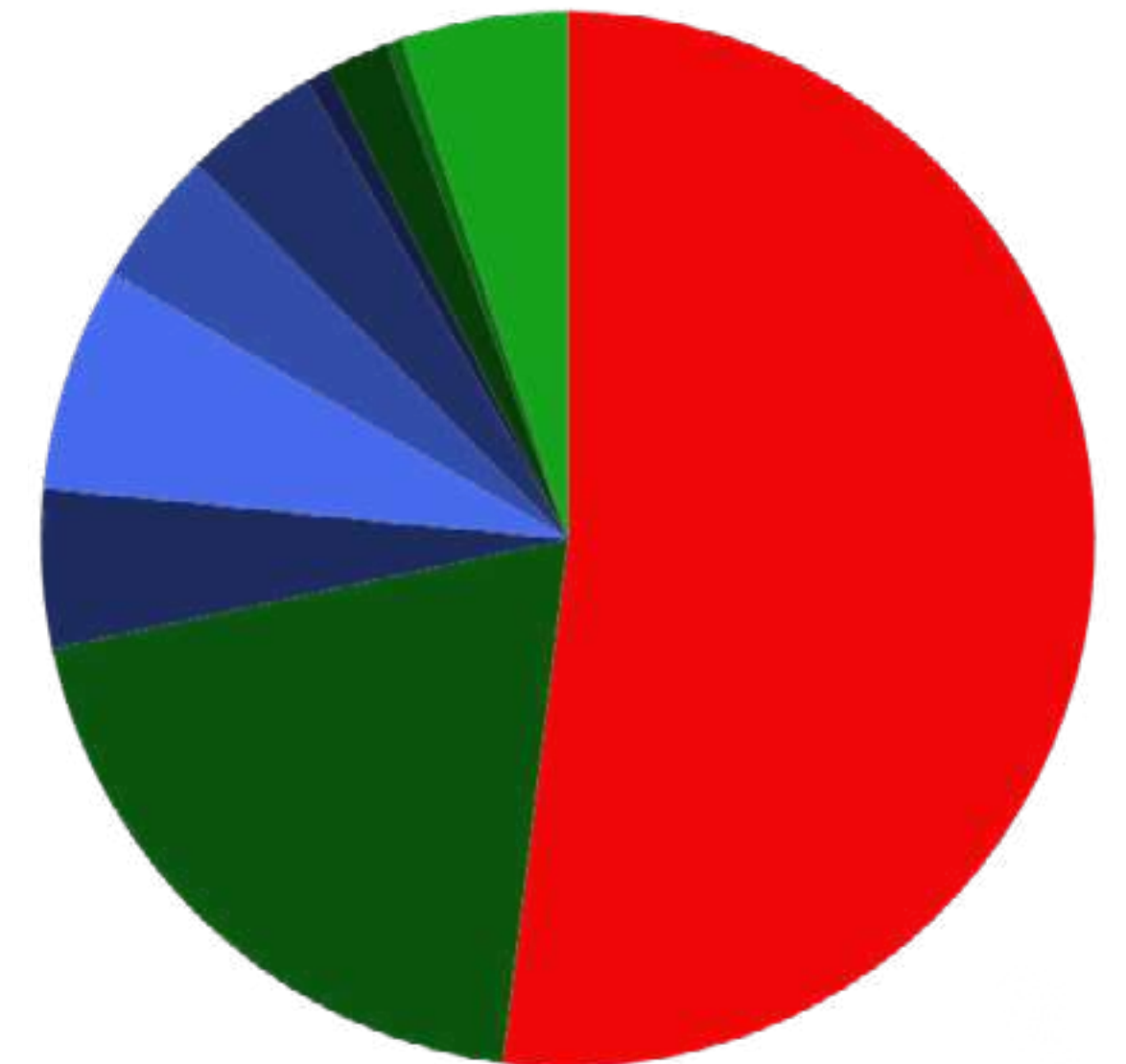
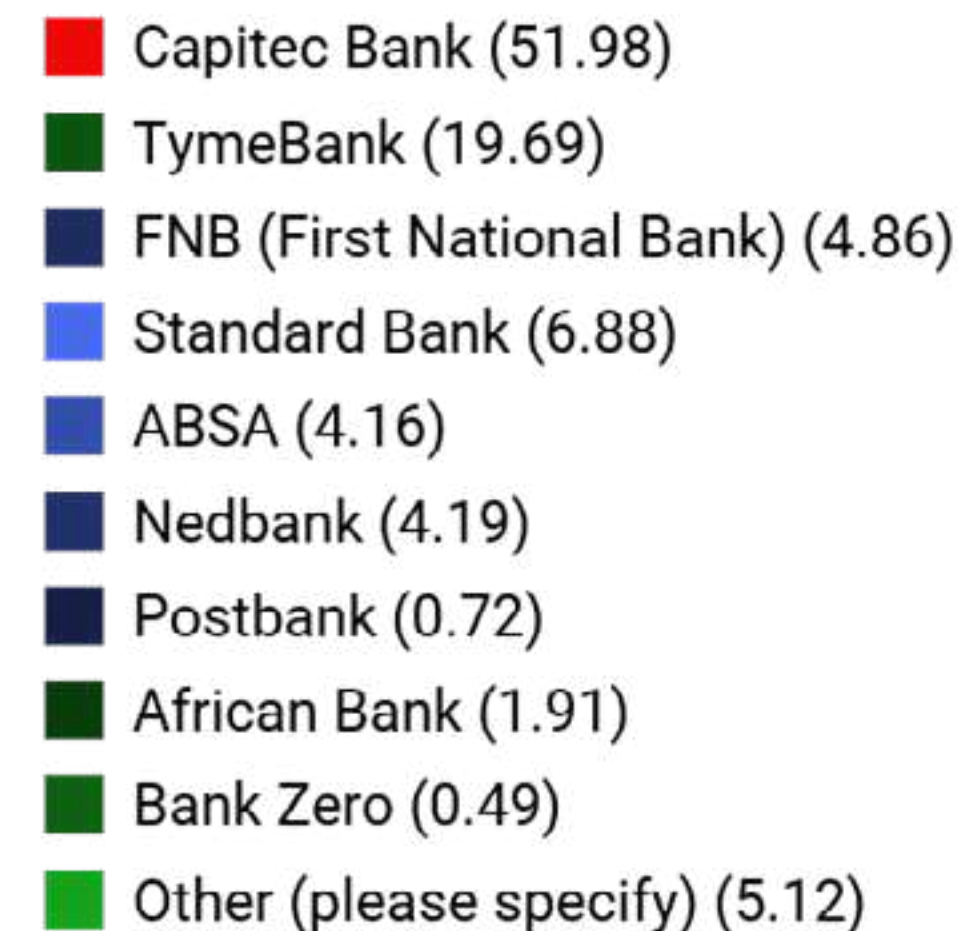
Self-employed residents, who spend more of their time in townships, make up 20% of those with life insurance. This group may be open to such products but is less likely to be directly targeted by conventional marketing. Unemployed township residents, who make up a significant share of funeral cover holders, usually arrange their policies within their communities.

This points to a missed opportunity for insurers, who could build stronger collaborations with township-based businesses that intersect with financial services, or partner with platforms rooted in township life. By doing so, financial institutions would be able to reach both employed and unemployed residents in ways that reflect where and how they live. Funeral parlours already provide this kind of access and community connection. For banks and insurers, matching that level of accessibility and cultural relevance would be a step towards closing the trust gap.

BANKING ON BEING UNDERSTOOD

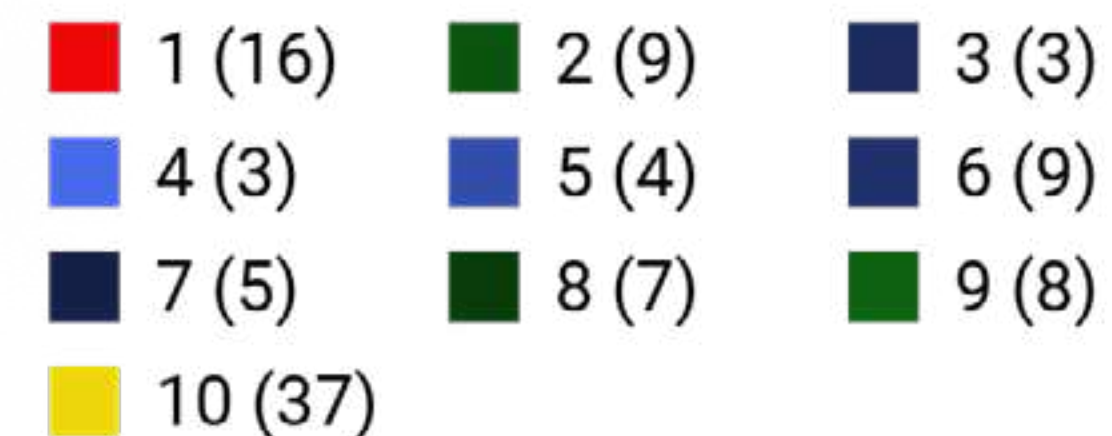
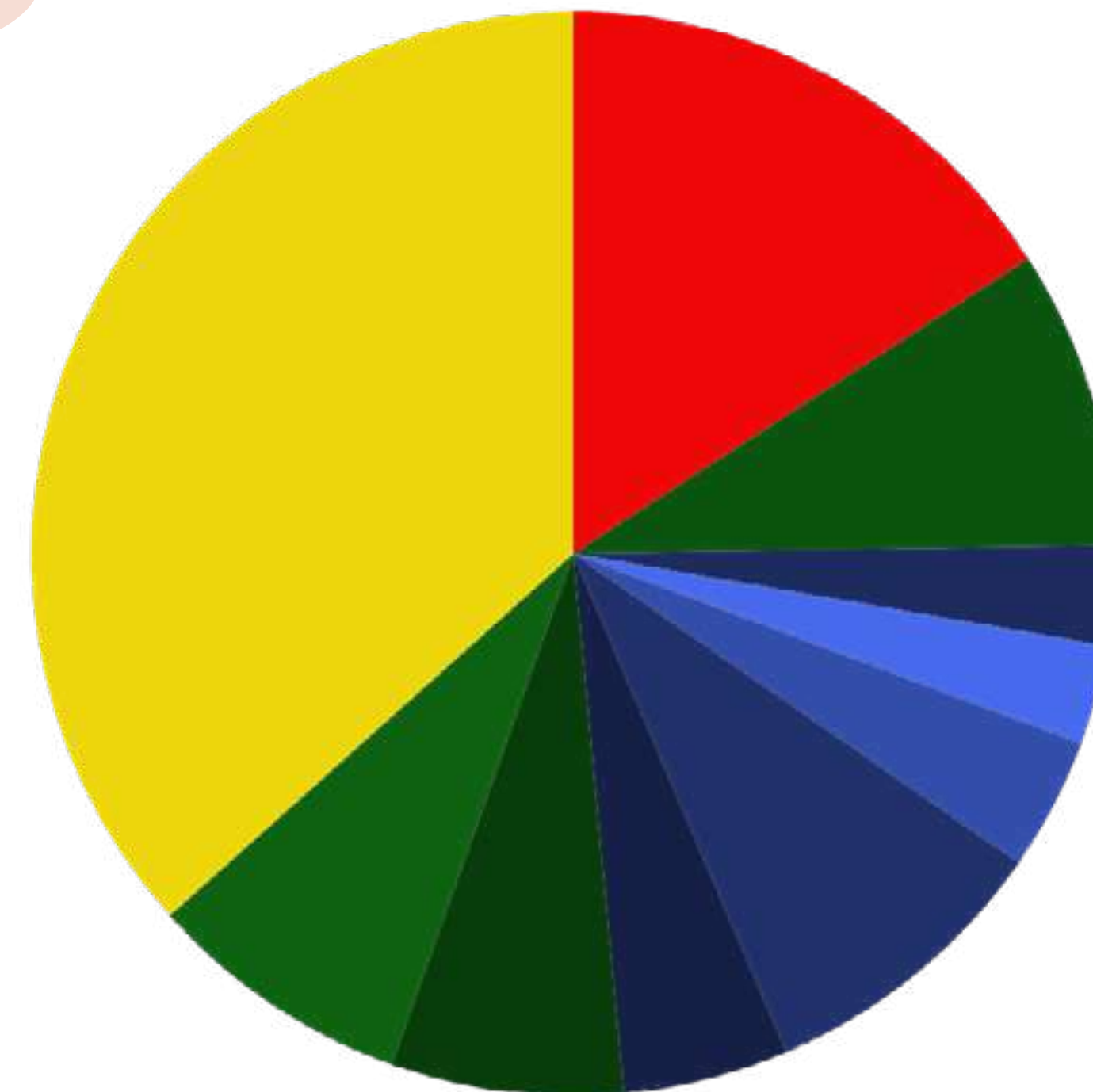
Just as funeral parlours provide access and trust in communities, banks face the challenge of proving they understand township residents. Bank penetration is high among the township residents we surveyed, with 91% saying they have a bank account. Capitec dominates with 52% usage, followed by TymeBank at 20%. FNB, Absa, Nedbank, Standard Bank and African Bank together account for 22%. While this does not reflect South Africa's overall banking market share, it highlights which banks township residents actively use. Navashnee Moodley, Head of Client Experience at Capitec, explains that much of this resonance comes from keeping banking simple and affordable. Low fees, user-friendly digital tools and reliable service make everyday transactions easy to manage, while speaking in a familiar language and tone strengthens trust.

Which bank do you currently use most often?

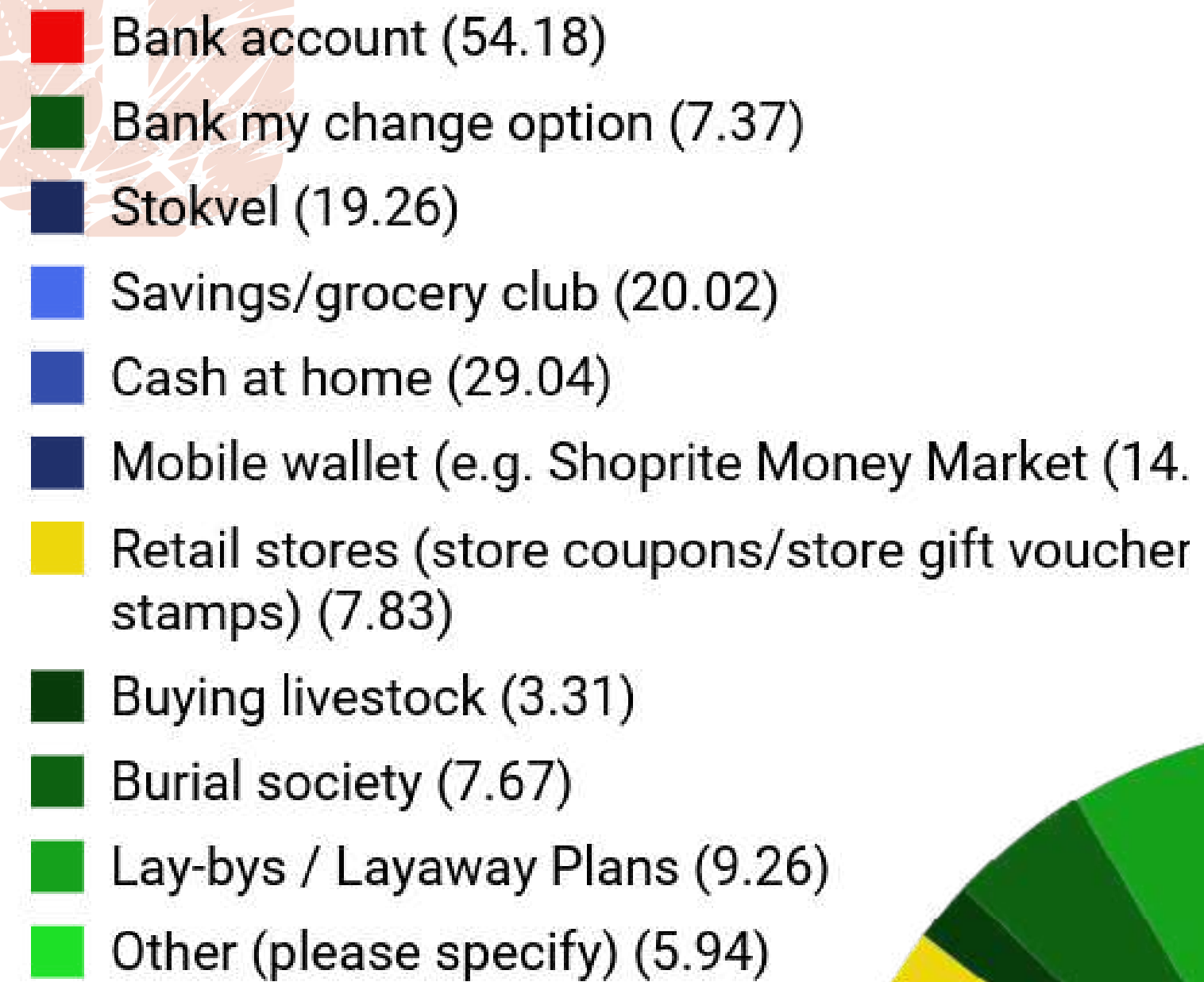


On a scale of 1-10, how strongly do you feel your bank understands and connects with your needs?

Although many are banked, most do not feel meaningfully connected to their bank. Only 37% of township residents say their bank understands them, while 16% feel absolutely not understood. The main frustrations are high fees (45%) and the distance to branches (28%). This lack of understanding comes at a cost. Our 2023 Township CX Report found that 25% of respondents considered “a brand that understands me” as one of the strongest drivers of loyalty, far ahead of advertising, which only 4% cited as influential. Understanding goes deeper than language or surface-level relevance; it is about tailoring products and support to fit township realities.



Where do you mostly save?



These frustrations also come through in the daily interactions that township residents have with their bank. When asked how they usually receive money, 68% said through a bank account, 17% through cash in hand and 9% via mobile money at ATMs such as eWallet. Banks play a central role in money movement, and yet their products often overlook the informal saving and resilience strategies people rely on. As Shana Abrahams of MoyaApp notes, banks are seen less as trusted advisors and more as “transactional pass-throughs,” shifting money in and out without offering the flexibility or group accountability that stokvels and grocery clubs provide. Moodley adds that the role of a bank should not be to interrupt these fast, informal money flows but to enable them securely and affordably. Trust comes from listening and building around how people actually use money, not imposing systems from outside.

“Banks are seen less as trusted advisors and more as transactional pass-throughs.” – Shana Abrahams, MoyaApp

Only 35% of township residents save regularly, and when they do, it is through informal channels, where 29% keep cash at home, 20% through grocery clubs and 19% participate in stokvels. Savings remain small, irregular and driven by the need for survival rather than long-term planning. Navashnee Moodley notes that informal systems like stokvels and grocery clubs are not gaps in the system but long-standing methods of support. The opportunity for banks lies in complementing these practices with flexible, safe products that protect what already works while adding value.

With 65% not saving at all, banks and insurers risk missing out unless they design products that mirror the adaptability and immediacy of the informal systems people already trust. The challenge is not about whether people have access, since most township residents are already banked, but whether the products on offer are relevant and aligned with their everyday lives.

With most township residents under 35, their habits around saving, borrowing and spending will shape the mass-market economy of tomorrow. This means that as banks create products and strategies, they should also account for township realities, where cash still plays an important role even as usage declines. For smaller purchases at spaza shops and local outlets, many perceive transaction fees as high and prefer cash because it makes life easier.

Day-to-day shopping involves small amounts, and if people must set aside a taxi fare just to access cash, they are less likely to use their bank accounts regularly. That said, more township outlets are beginning to accept card payments, as seen in Chapter 2 with companies like Shop2Shop partnering with local store owners to provide new access points.

RETHINKING TOMORROW'S MONEY MATTERS TODAY

The financial life of township residents is defined by tension between saving and borrowing, between informal trust systems and formal products, and between cultural obligations and limited incomes. Stokvels continue to act as both savings vehicles and safety nets, absorbing the gaps left by banks and insurers. This spells an opportunity to connect more effectively without attempting to replace stokvels, since some of this money already ends up in banks when households make large purchases. Borrowing remains widespread, often unsafe, while funeral cover underscores the lengths households go to preserve dignity even when earnings are modest or irregular. These findings suggest that consumers are pragmatic, increasingly young and driven by the need to meet everyday expenses. Their habits will define the future of financial services.

For financial institutions and service providers, the opportunity is not in adding more accounts or policies in name only, but in creating products that reflect lived realities. This means recognising that SASSA grants and similar income sources anchor household economies, while savings remain small and irregular. Trust must be built through relevance, transparency and presence in townships. With most residents under 35, their habits around cash, cards, stokvels and payments will set the tone for South Africa's mass market. Those who engage township consumers with hybrid tools that combine the trust of informal systems with the scale of formal finance will be best placed to build loyalty for the long term.



KEY INSIGHTS

- **Stokvels anchor township saving.**

40% of residents belong to grocery stokvels and 30% to funeral stokvels, showing that saving is focused on food and cultural obligations rather than long-term wealth.

- **Multiple stokvel memberships are common.**

45% of respondents belong to one stokvel and 25% belong to two, revealing how households use different stokvels to meet different needs, from groceries to funerals.

- **Borrowing is a lifeline but risky.**

40% borrow from family and friends, 21% from loan sharks and 15% from banks. High-cost borrowing continues to threaten future income and creates cycles of debt.

- **Funeral cover outweighs life insurance.**

60% of residents have funeral cover compared with only 10% with life insurance. Among those with funeral cover, 42% are unemployed, showing how protection is prioritised even with limited or irregular income.

- **Banking access is high, but trust is weak.**

91% of residents have a bank account, yet only 37% feel understood by their bank. High fees and distance to branches remain key frustrations, pushing many towards informal systems.

- **Youth will define tomorrow's money habits.**

With most township residents under 35, their approach to saving, borrowing and spending will shape South Africa's consumer economy, making this group critical for future strategies.

CONCLUSION:

Expanding Possibilities

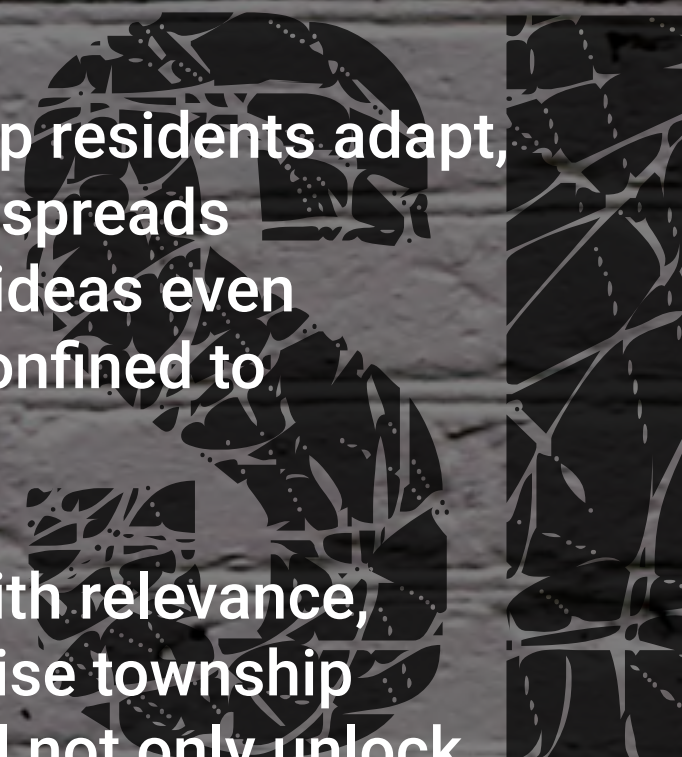
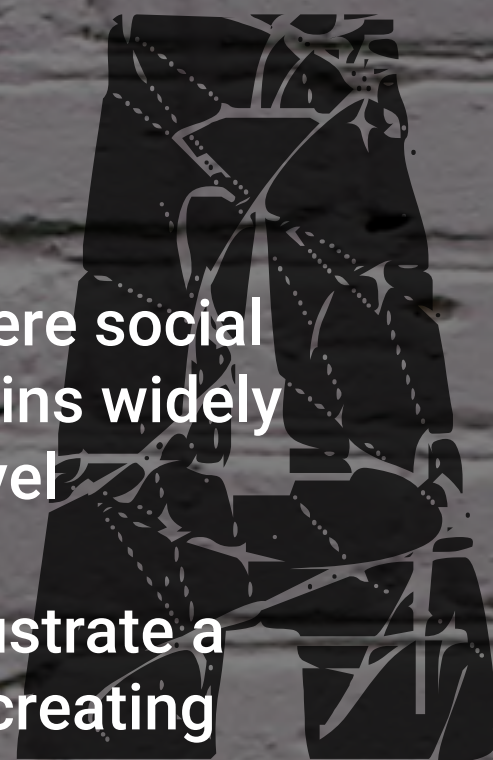
The 2025 Township CX Report shows a market that adapts quickly, innovates under pressure and continues to influence South Africa's consumer landscape. From groceries and spazas to fast food, digital life and financial resilience, township households reveal patterns of intent, trust and cultural influence that cannot be overlooked.

This year's findings demonstrate how inflation has sharpened consumer choices, where many shoppers switch brands when prices increase. It's also evident that loyalty is sustained when products remain affordable, available in smaller pack sizes and anchored in trust. Spazas, placed under scrutiny through the national registration drive, re-emerged stronger, with formal recognition reinforcing their role as neighbourhood anchors and trusted outlets. Township kitchens and fast-food outlets confirmed their cultural pull, with flavour and experience outweighing compromise and drawing demand from far beyond local streets. Connectivity, often driven by women in the home, has shifted from utility to necessity, enabling job hunting, side hustles and cultural expression that ripple out through digital platforms.

Most households continue to live with irregular income cycles, where social grants and informal work provide stability. Funeral insurance remains widely used, rooted in cultural obligation and the need for certainty. Stokvel participation has risen to 71%, showing how collective systems of accountability thrive alongside digital banking. These practices illustrate a layered approach where trusted traditions coexist with new tools, creating resilience in uncertain conditions.

Across five years of this report, the pattern is clear: township residents adapt, rebuild and influence. What begins as a local practice often spreads nationally, accelerated by digital platforms that carry these ideas even further. Townships and their culture are not a side market confined to geography.

For brands and policymakers, the challenge is to respond with relevance, consistency and long-term commitment. Those that recognise township consumers as partners rather than peripheral audiences will not only unlock growth but share in shaping a consumer landscape that continually expands the possible.





TOWNSHIP CUSTOMER EXPERIENCE REPORT



FIELD AND INSIGHTS AFRICA
YOUR TRUSTED PARTNER IN RESEARCH