

KANTAR

# MZANSI

BAROMETER

A snapshot of South African  
consumer behaviour



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# Meet your speakers



**Ivan Moroke**

CEO South Africa  
Insights Division  
Kantar



**Stacy Saggors**

Commercial Growth Partner  
Insights Division  
Kantar

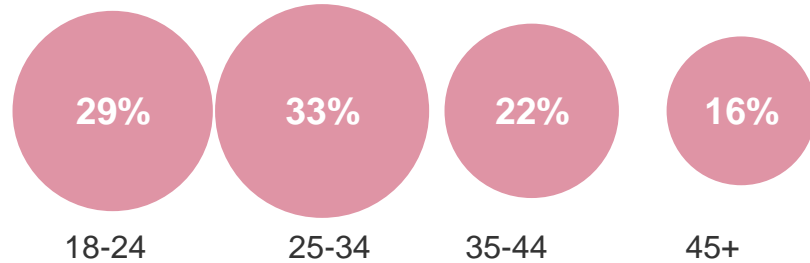


**Lorraine Landon**

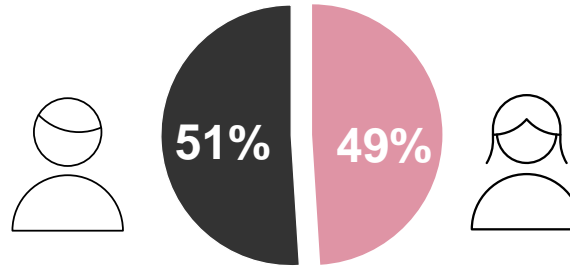
Head of Advertising & Solutions  
Sub-Saharan Africa  
Google

# We spoke to 393 South Africans, representative of the connected\* population of South Africa

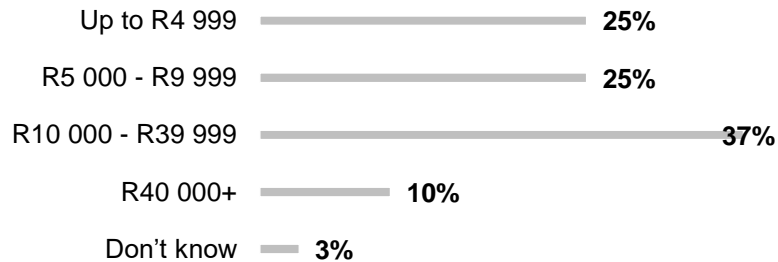
## Age



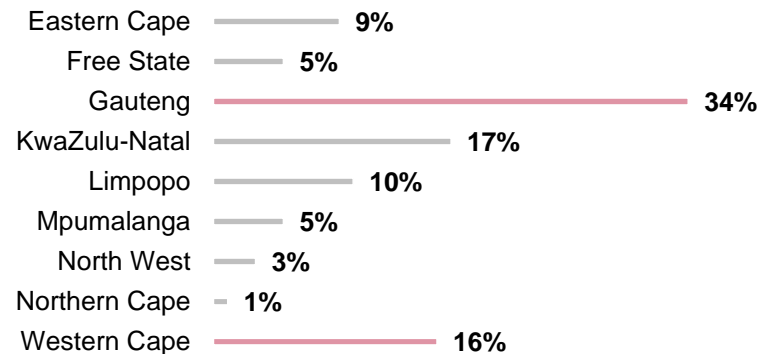
## Gender



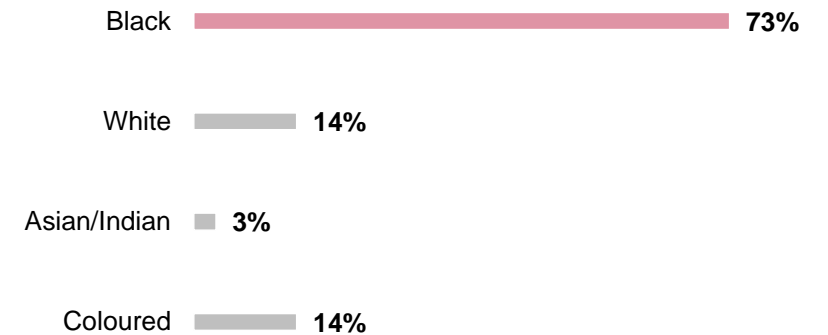
## Household income



## Region/Province



## Ethnicity



# For the first time, we also spoke specifically with township dwellers

Sample definition and ring fencing exercise was a multi-stage exercise, with advice from industry experts and on the ground field workers

## 1. Defining townships

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The first step was to determine the definition of a township, appropriate to South Africa today.

To begin we used a 'high population locality' (HPL) definition, and identified Sub Places (SPs) that have a population density of >200 people per square KM. This approach was validated by our expert sampling partner\*, who also works with Stats SA.

## 2. Profiling HPL areas

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Next we profiled the HPL SPs by household income segments, dwelling type and demographics to further refine the SPs.

We also reviewed access to household goods such as landlines, vacuum cleaners and internet at home at an overall SP level to understand the overall SP profile.

## 3. On the ground review

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Our face-to-face research field managers then reviewed the list based on their experience of visiting these SPs to confirm if the majority of the dwellings within the SP met the definition.

## 4. Panel profiling and targeting

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The Kantar Profiles panel was aligned with the final list of SPs, to identify panellists who resided in the SPs.

Survey invitations were sent out to profiled panellists. The survey included questions around dwelling type, demographics and household goods.

## 5. Case level exclusion

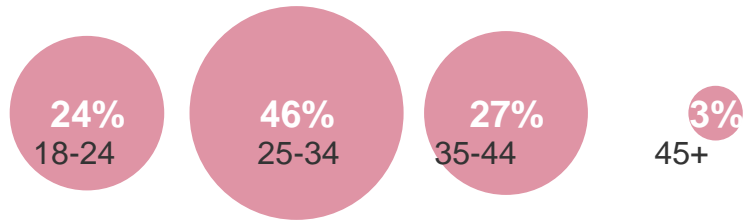
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Respondent level data was analysed and some cases were removed that did not fit the profile of the overall HPL SPs e.g. those with landline and home security.

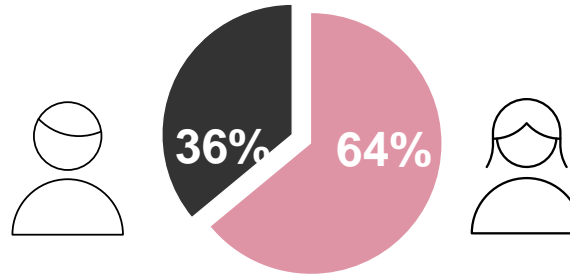
Residents of informal dwellings were included regardless of goods ownership.

# We spoke to 107 township-based South Africans

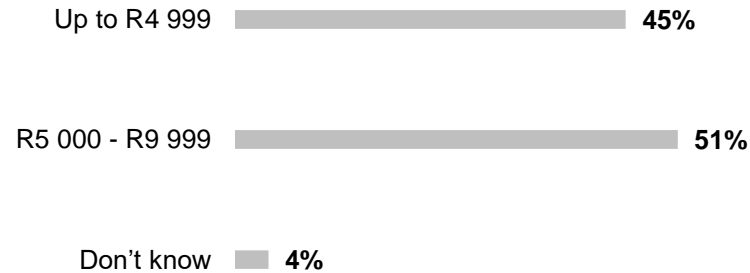
## Age



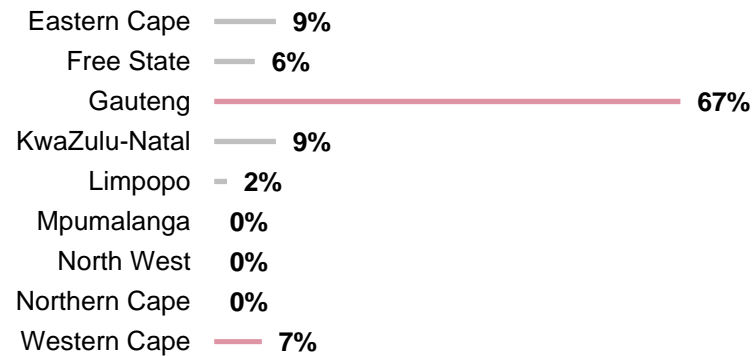
## Gender



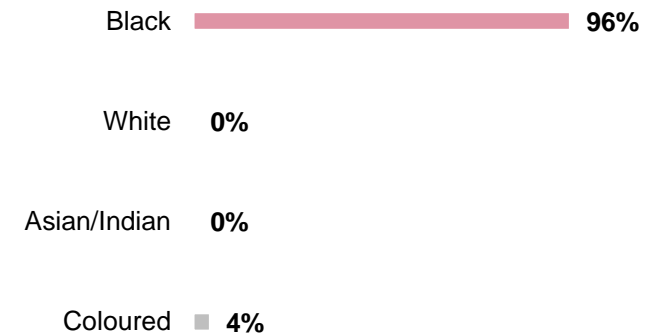
## Household income




## Region/Province



## Ethnicity





There's no  
downplaying the  
*pressure* we're  
under

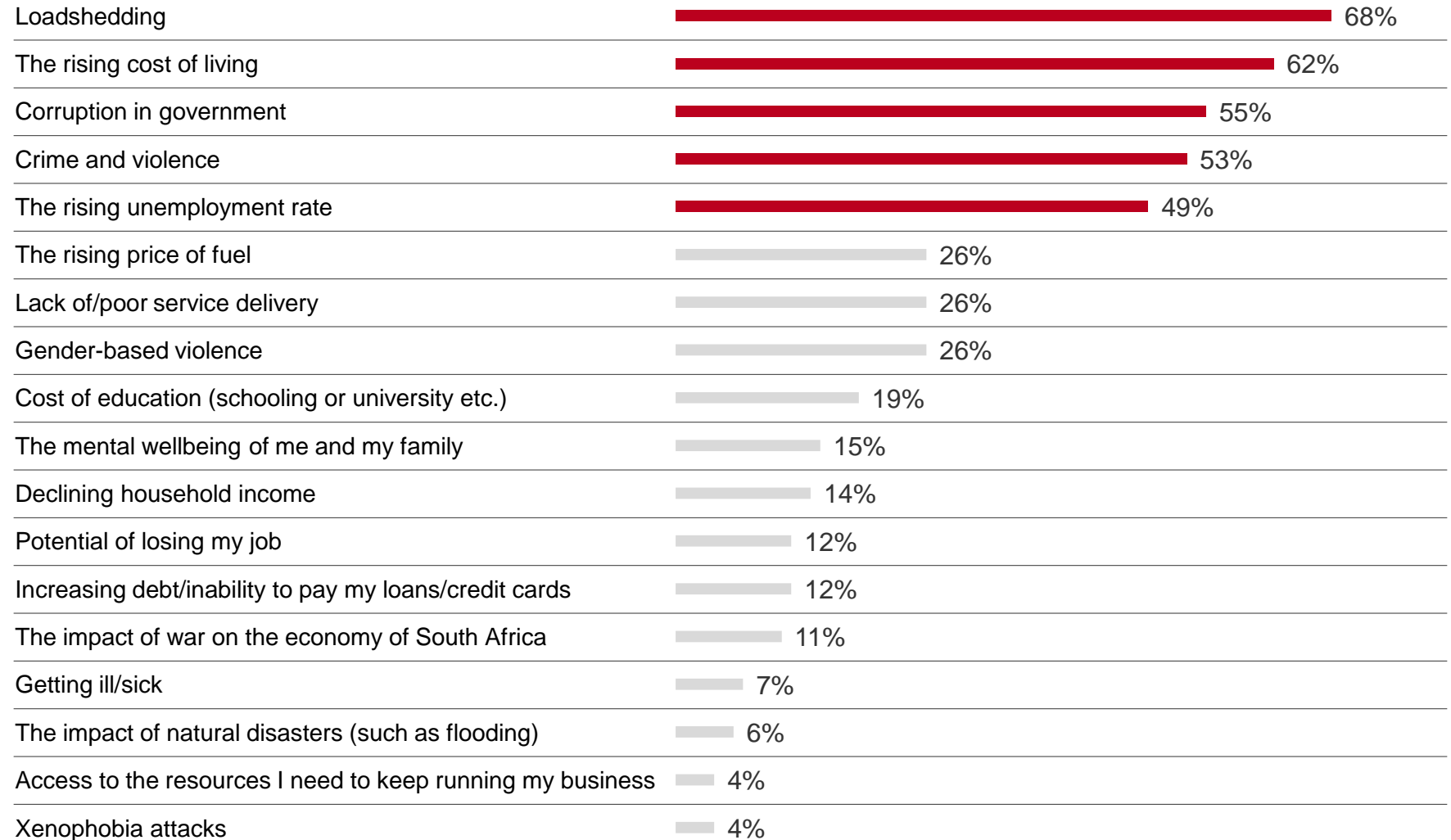
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# Most concerning to South Africans is loadshedding

Up from 2<sup>nd</sup> position in 2022

Followed by cost of living, corruption, crime and violence and unemployment

## What South Africans are most concerned about in 2023

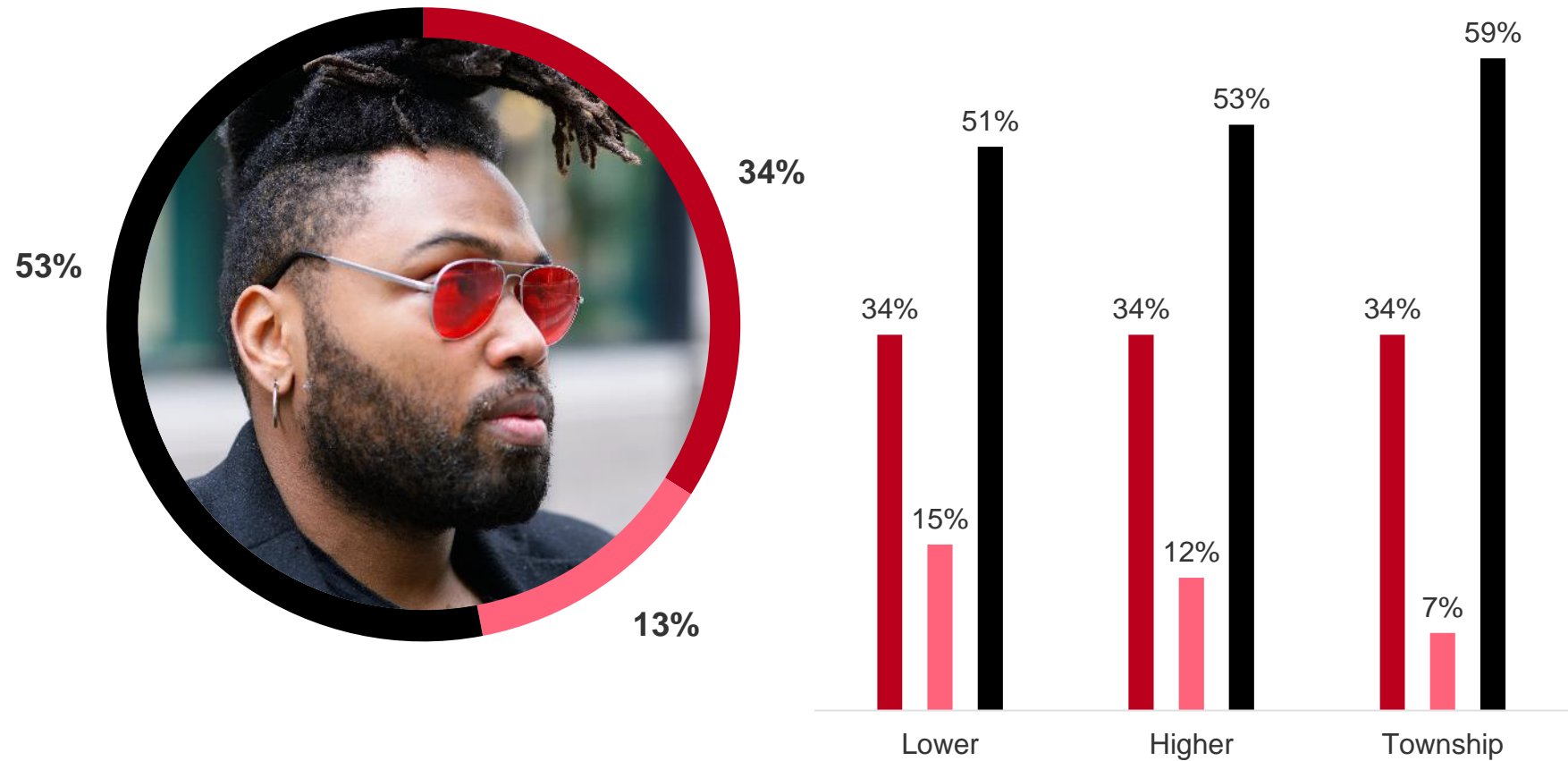


# And we don't believe anything will change anytime soon

A pretty pessimistic outlook, higher amongst those living in townships

## Country outlook over the next five years

Things will get better | Things will get slightly worse | Things will get much worse | Don't know



# A QUICK LOOK AT SOME OF THE TOP CONCERNS

Loadshedding is indeed the most concerning in the immediate term considering its unilateral and all consuming impact

**Costing the economy as much as R899 million per day, says SA Reserve Bank.**

**Economic growth forecast reduced from 1.1% to 0.3% for 2023.**

**So far in 2023, 26% of our days are spent in loadshedding compared to 10% in 2022 and 2.6% in 2021.**



**Some of the ways that loadshedding has impacted everyday South Africans:**

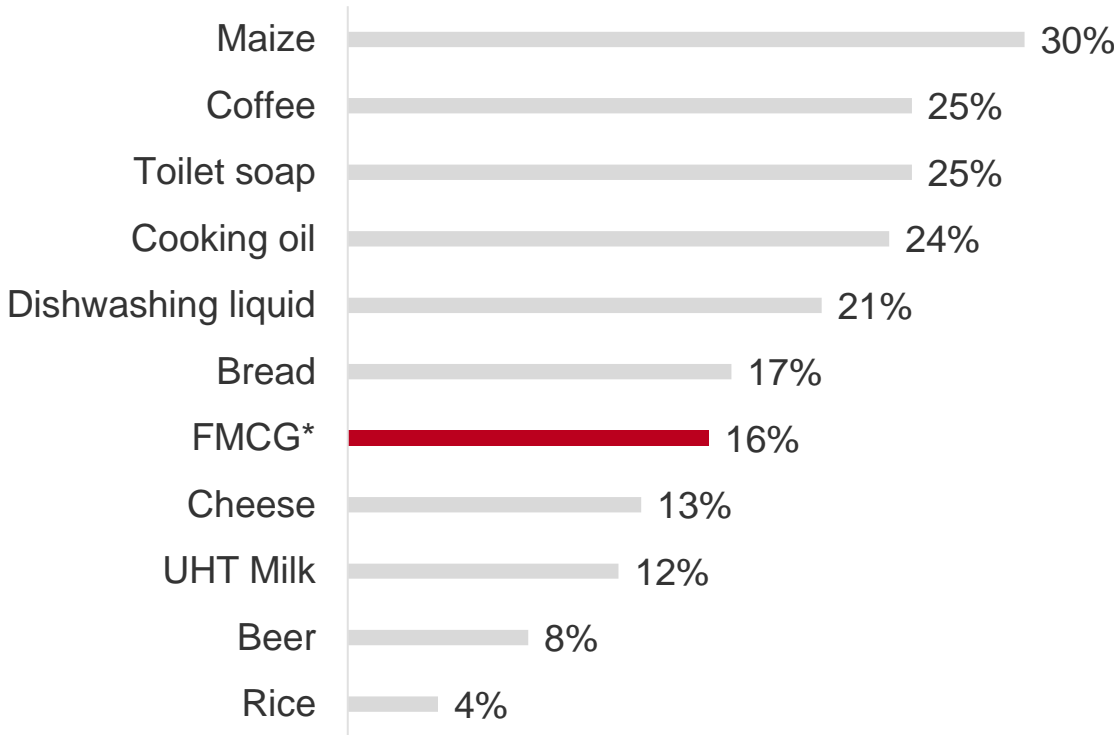
- 1. Education:** A candle in the darkness and delayed dinner is simply not conducive to studying at home. Loadshedding also affects the delivery of technical and digital-based subjects, which means the move towards a digital era in schools is being derailed.
- 2. Work:** Old Mutual found that 49% of South Africans reported having to work overtime or on weekends to make up for lost time during loadshedding.
- 3. Mental wellness:** The Financial Mail notes that 4 in 10 people reported feeling depressed because of loadshedding and 6 in 10 struggle with anxiety and panic because of power cuts. Google confirms increased search volumes around anxiety and mental wellness.



# Kantar's shopper panel notes FMCG basket inflation at 16%

South African price inflation 6M April 22 vs 6M April 23

## Kantar Worldpanel





So there's no  
doubt it's tough  
but...  
WE'RE MAKING A PLAN

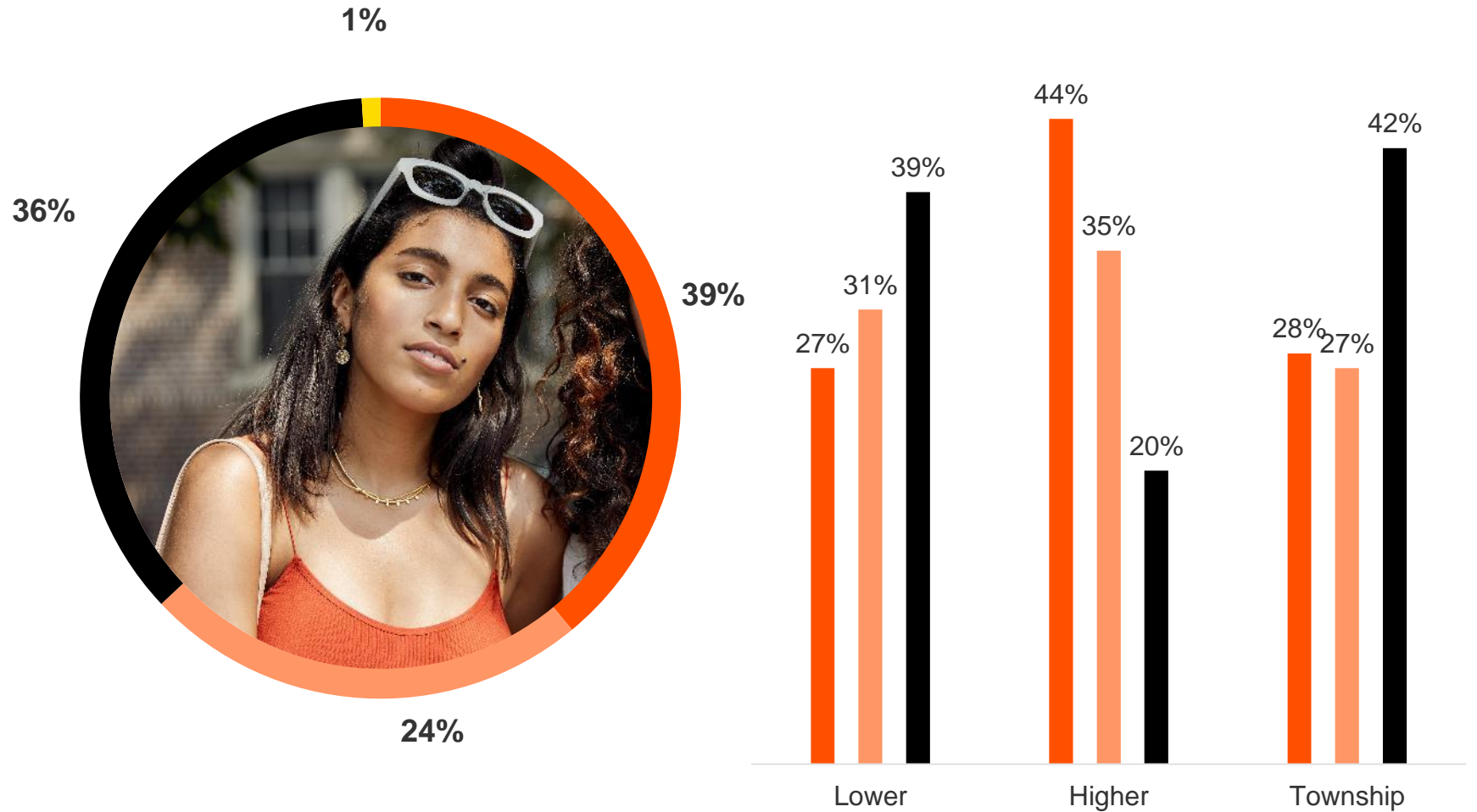
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# For starters, more households are receiving more income this year

39% have a household income that has increased since pre-pandemic vs only 17% surveyed in 2022.

## Change in household income

Household income increased since 2020 | Same since 2020 | Decreased since 2020 | Don't know



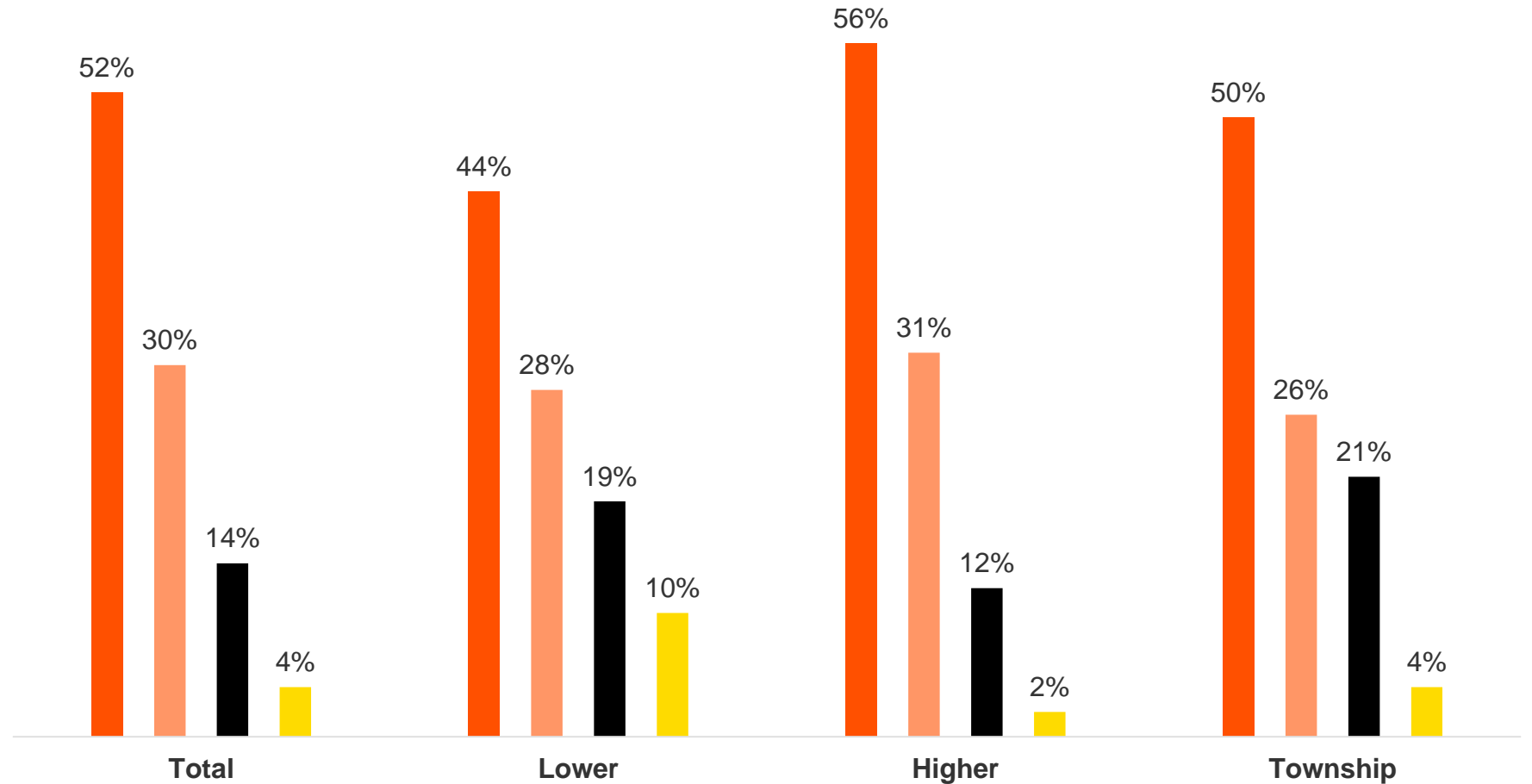
# And, despite the challenges,

optimism for a favourable household future financial position is high

Slightly less so amongst lower income consumers

## Better off financially

Better off financially | About the same | worse off financially | Don't know

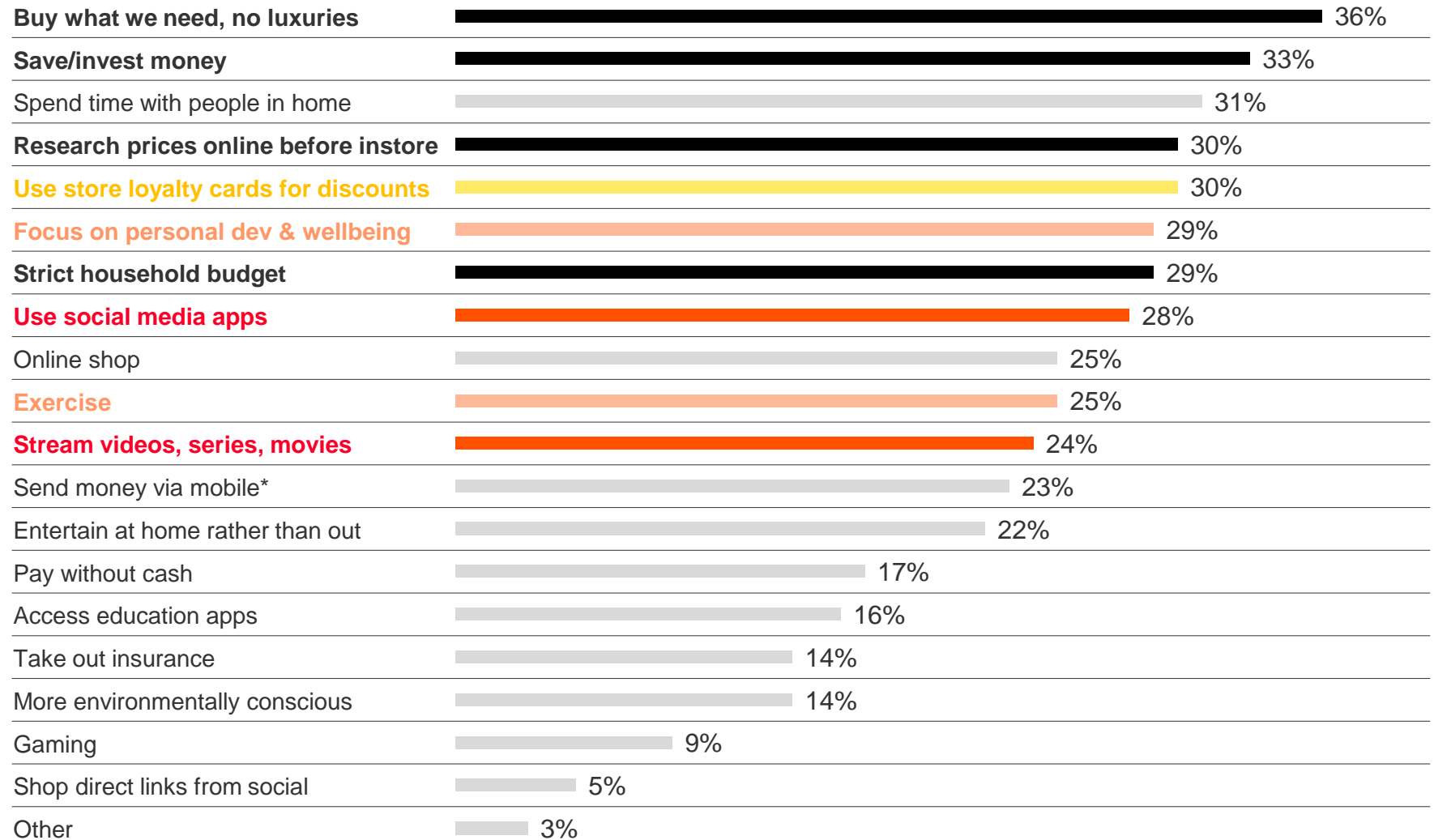


# And we are making plans to manage

The number one activity people are doing more of is managing our expenses by buying only what is needed (driven by lower income), being more frugal with our shopping habits, household budgeting and savings.

Last year social media apps were number one. This year, people are still getting their social media fix but they are being smart about how they engage.

## Activities South Africans are doing more of since a year ago



A young man with dark skin and short, curly hair is shown in profile, looking down and to the left. He is wearing a bright yellow hoodie, round sunglasses with blue and green mirrored lenses, and large yellow over-ear headphones. The background is a blurred outdoor setting with green foliage and a blue fence. In the bottom right corner, there are two shopping bags, one white and one red.

I'm focusing on the  
essentials

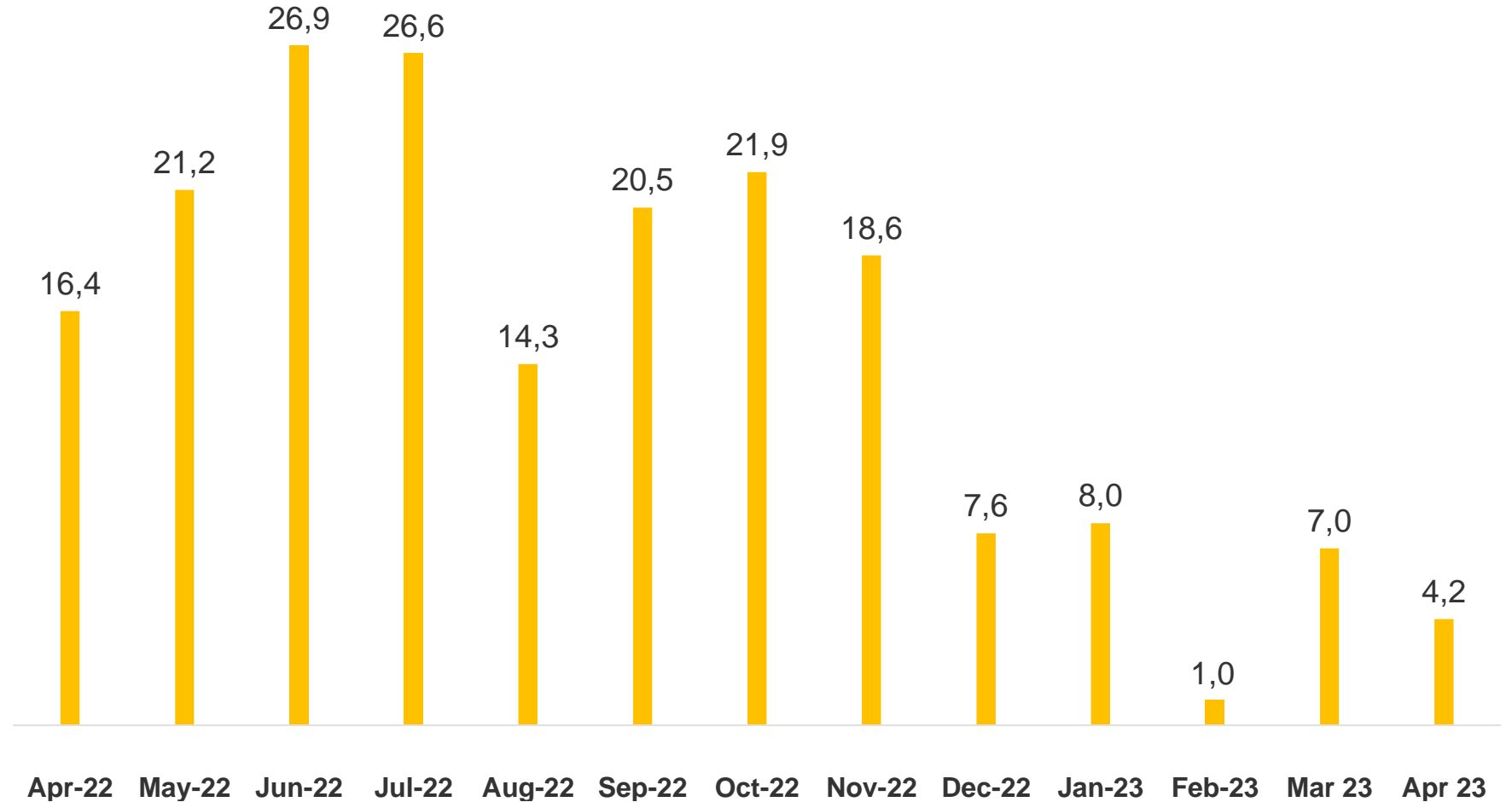
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# South Africans are strictly monitoring the household budget

by spending less on the FMCG basket

The FMCG basket is a group of 116 food (excluding fresh), dairy, beverage, personal and home care categories

## Total FMCG spend per household % Change vs a year ago

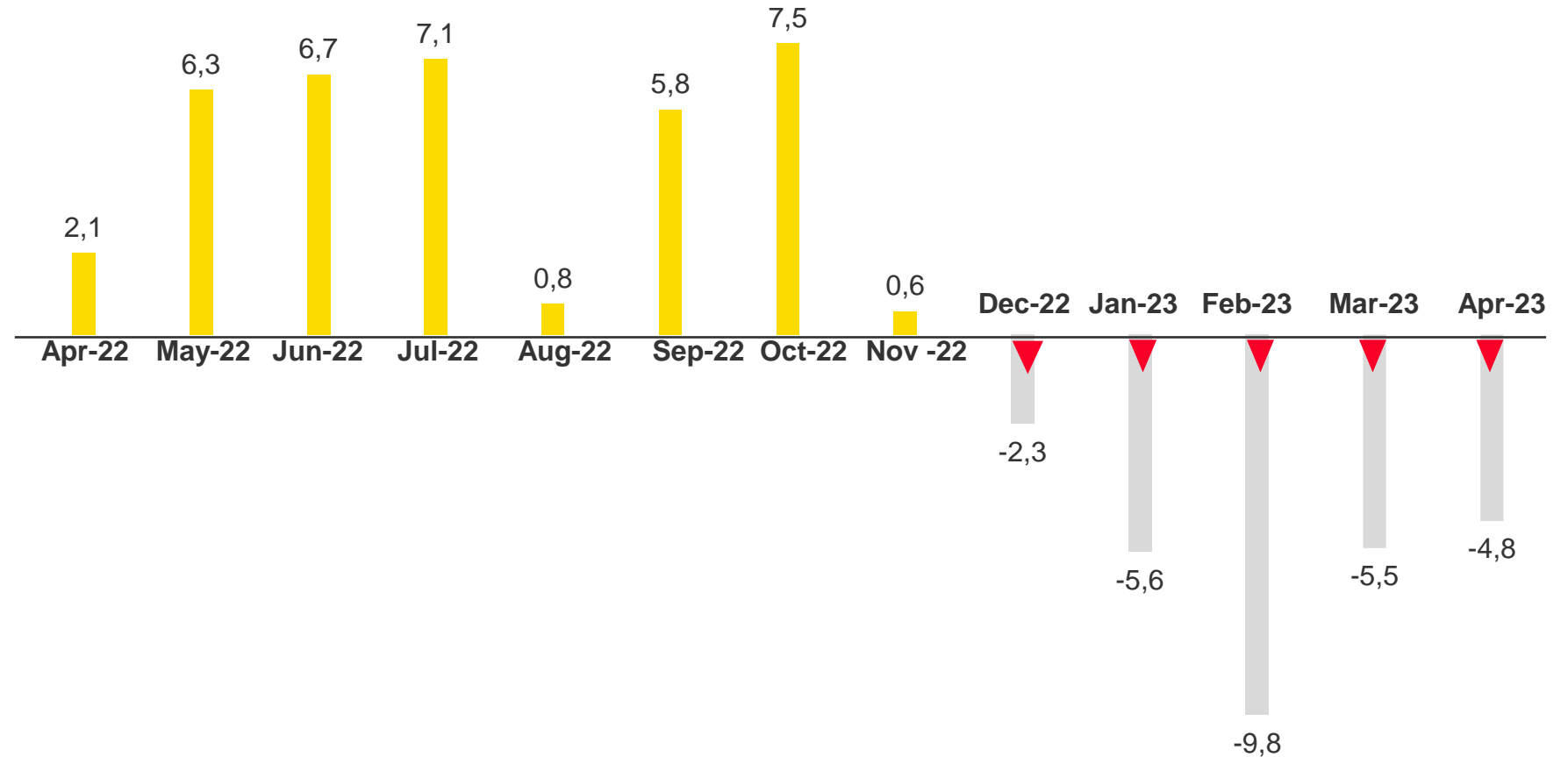


# One of the ways we are managing to do this is

by reducing the number of packs we buy

## Total FMCG packs per household

% Change vs a year ago

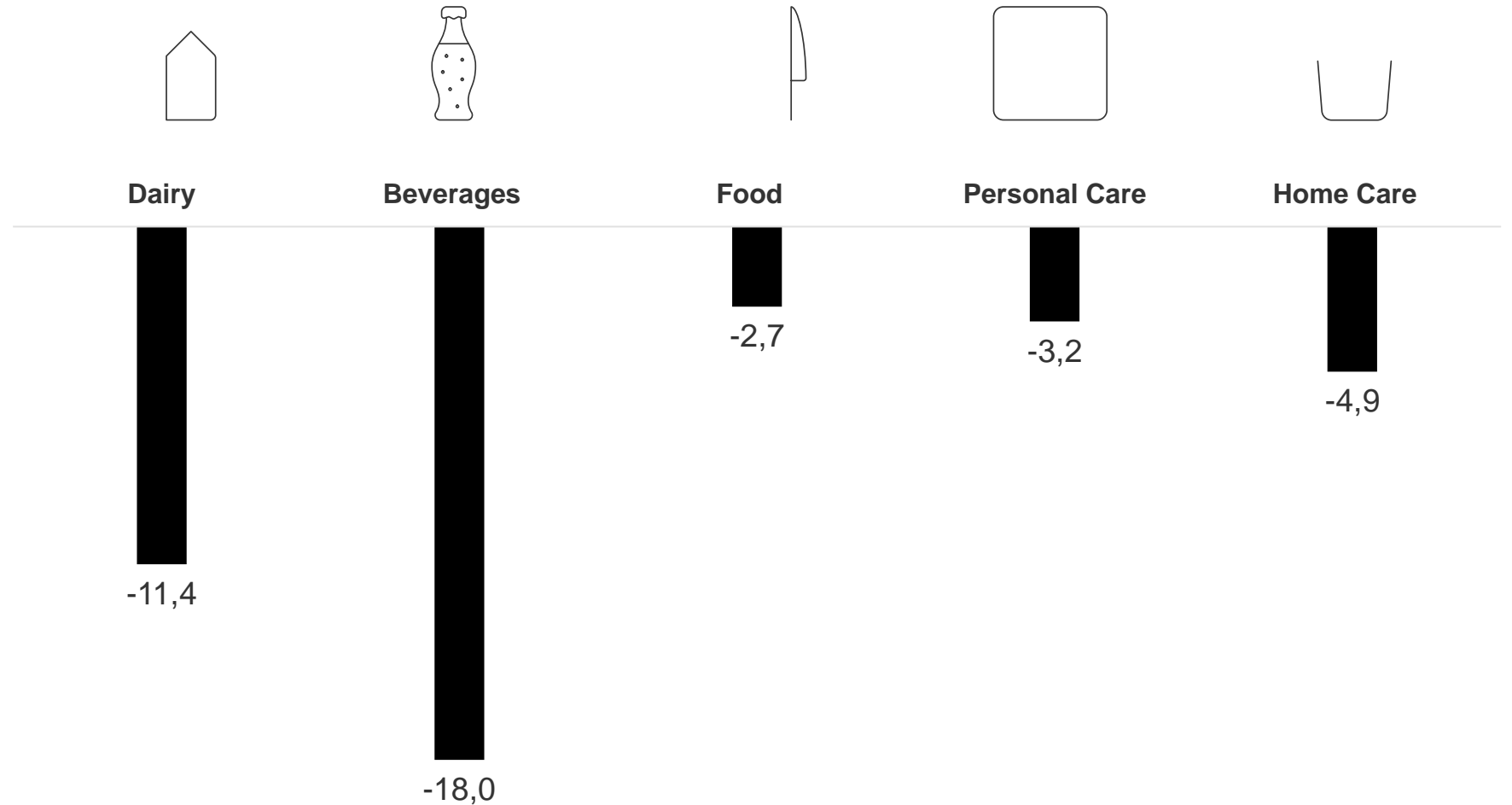


# Across categories but particularly non-essential categories

such as beverages and dairy

## Total FMCG packs by category

Packs per household | % Change vs Year Ago | 3ME April 23



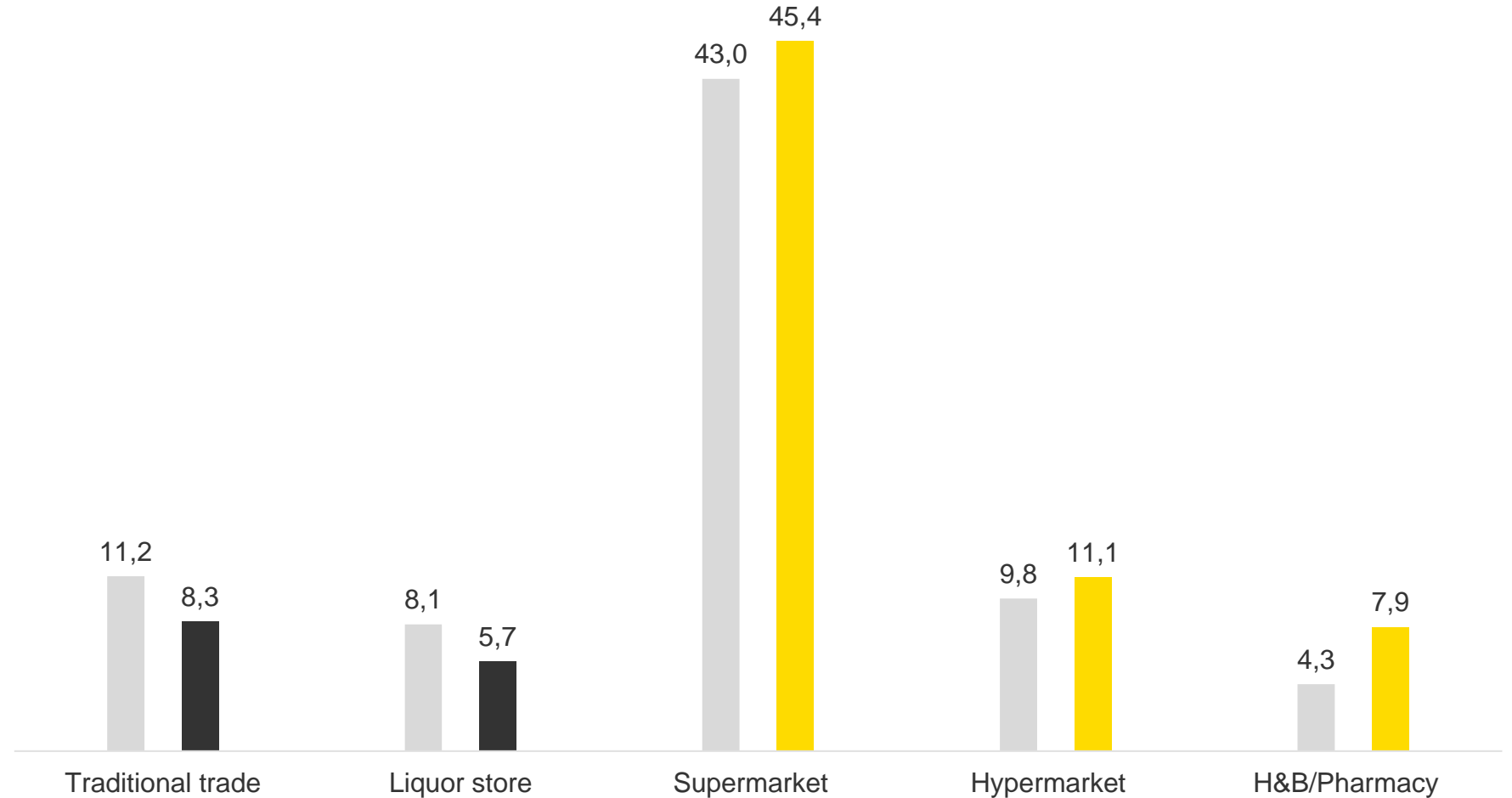
# And consolidating our spend in modern trade

in order to access bulk discounts, foregoing liquor

Modern trade enables consumers to check prices online before going in-store (something a third of South Africans are doing more of than they used to)

## Total FMCG packs by channel

% Change vs Year Ago



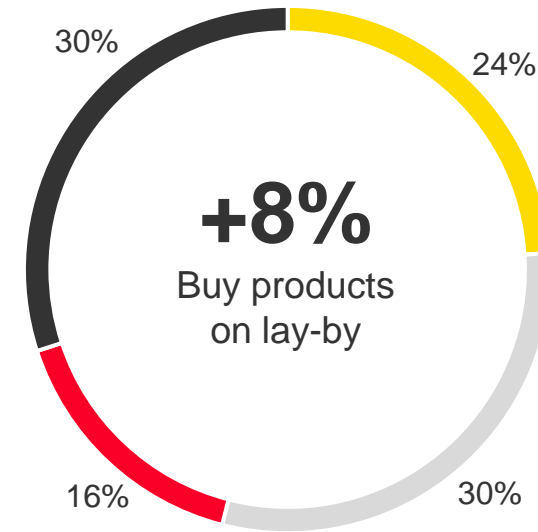
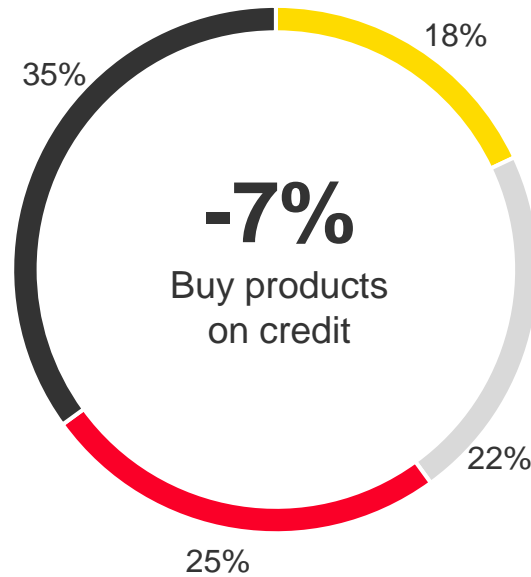
# And we're buying more on lay-by than credit

which is costing us less in debt, so overall we are working to manage our expenses



## What we consider when we spend our money

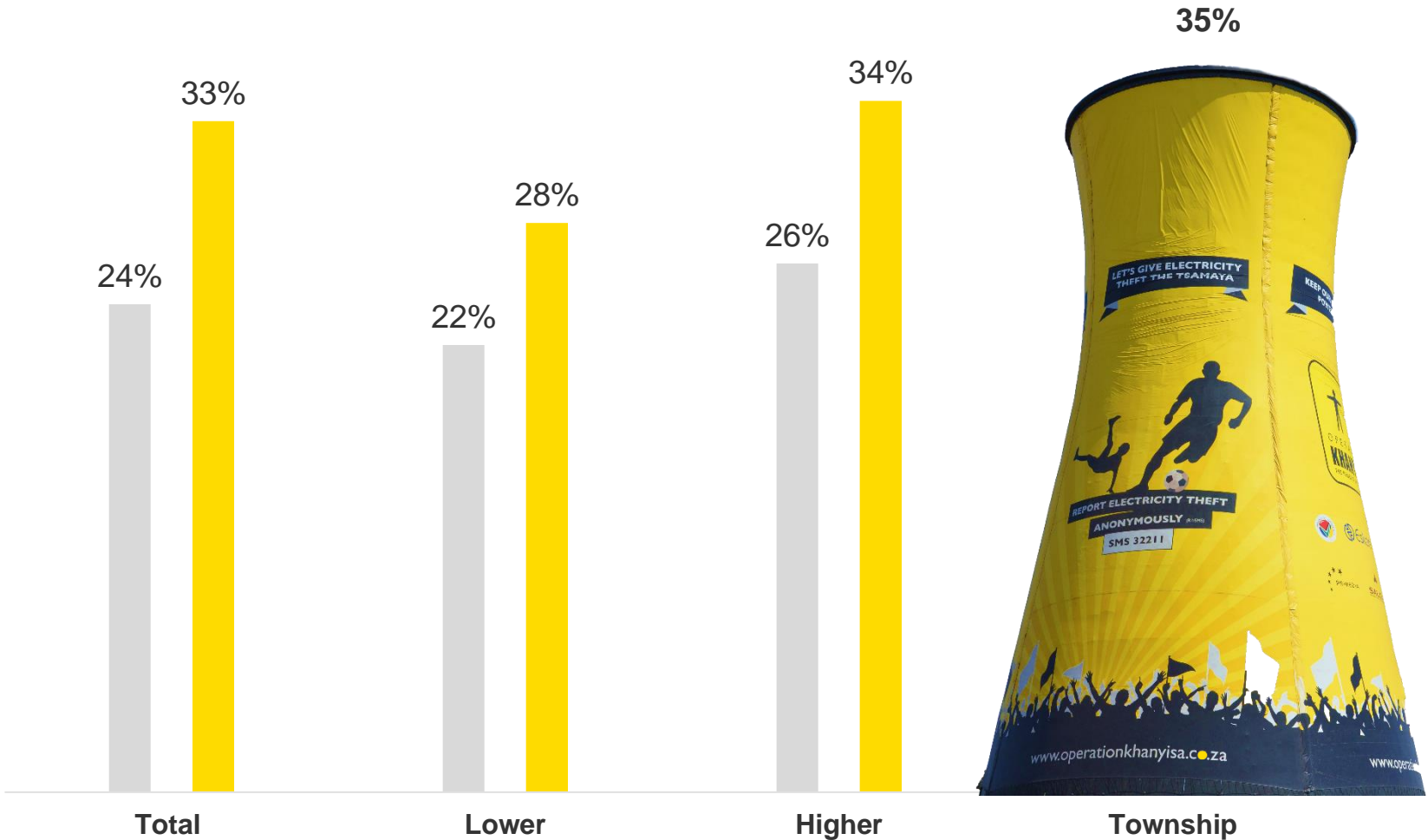
More than I use to | About the same | Less than I used to | Don't do this



# Which results in the heightened saving behaviour we see this year

## Save more than a year ago

2022 | 2023





What does this  
mean for brands?

# Interestingly, while price sensitivity is indeed high,

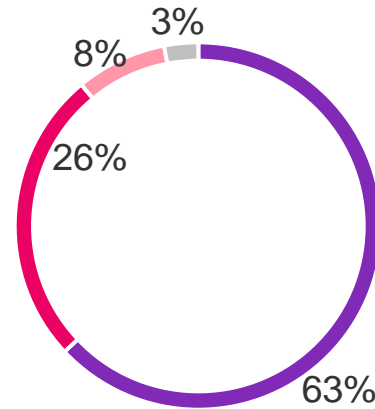
it has not increased from 2022 and is driven by higher income

the only nett decrease is spend on entertainment

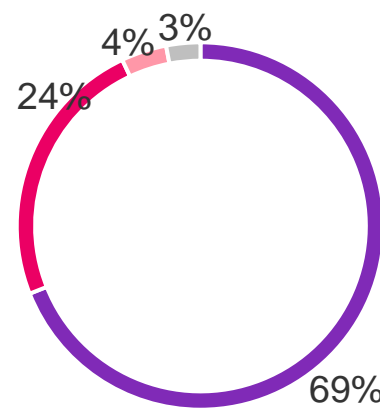
## Purchasing behaviour

More than I used to | About the same | Less than I used to | Don't do this

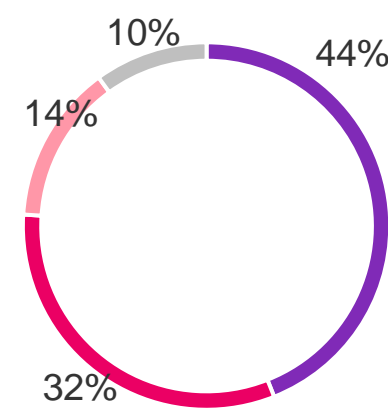
Pay more attention to products on sale



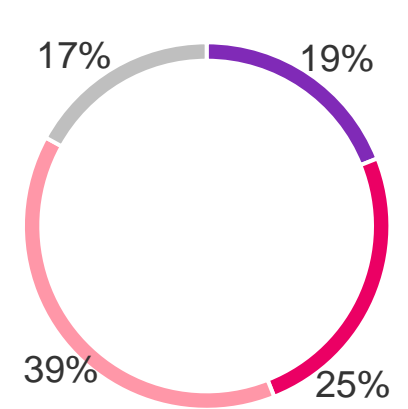
Pay more attention to prices



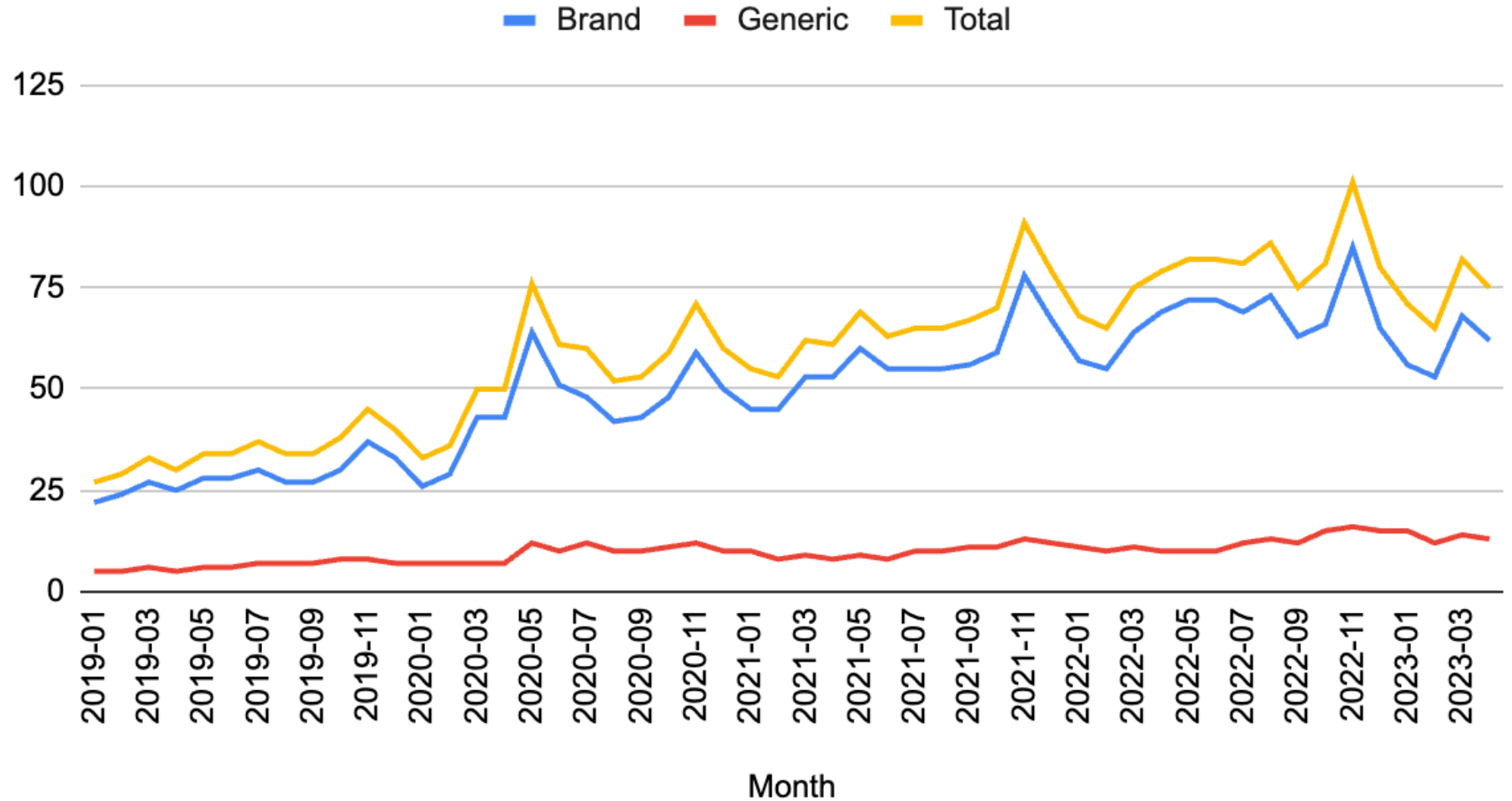
Go out of my way for best prices even if inconvenient



Spend on entertainment



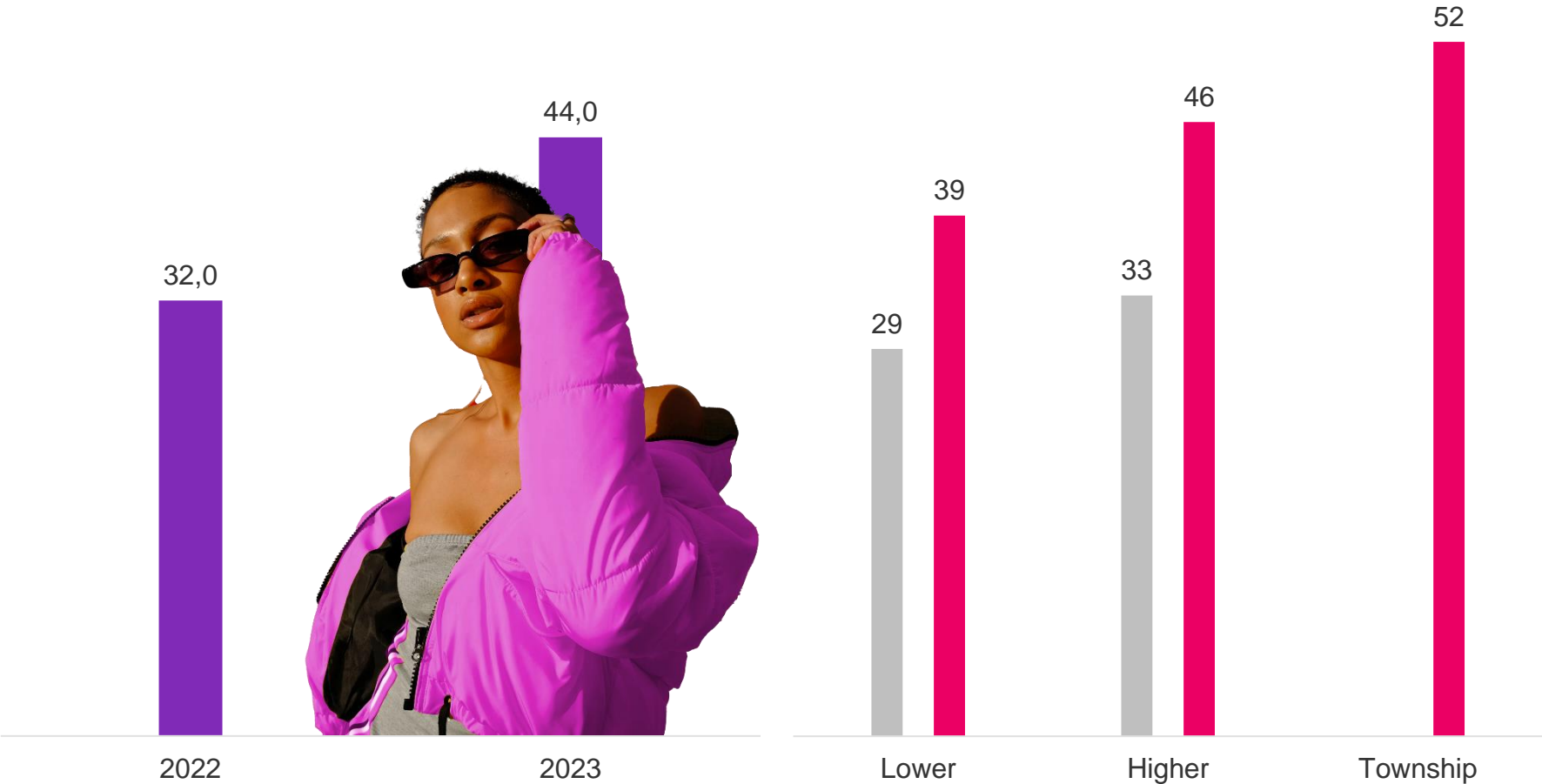
And we see consumers are researching specific brands ahead of their purchase



# Significant increase in trying out cheaper brands

by all South Africans

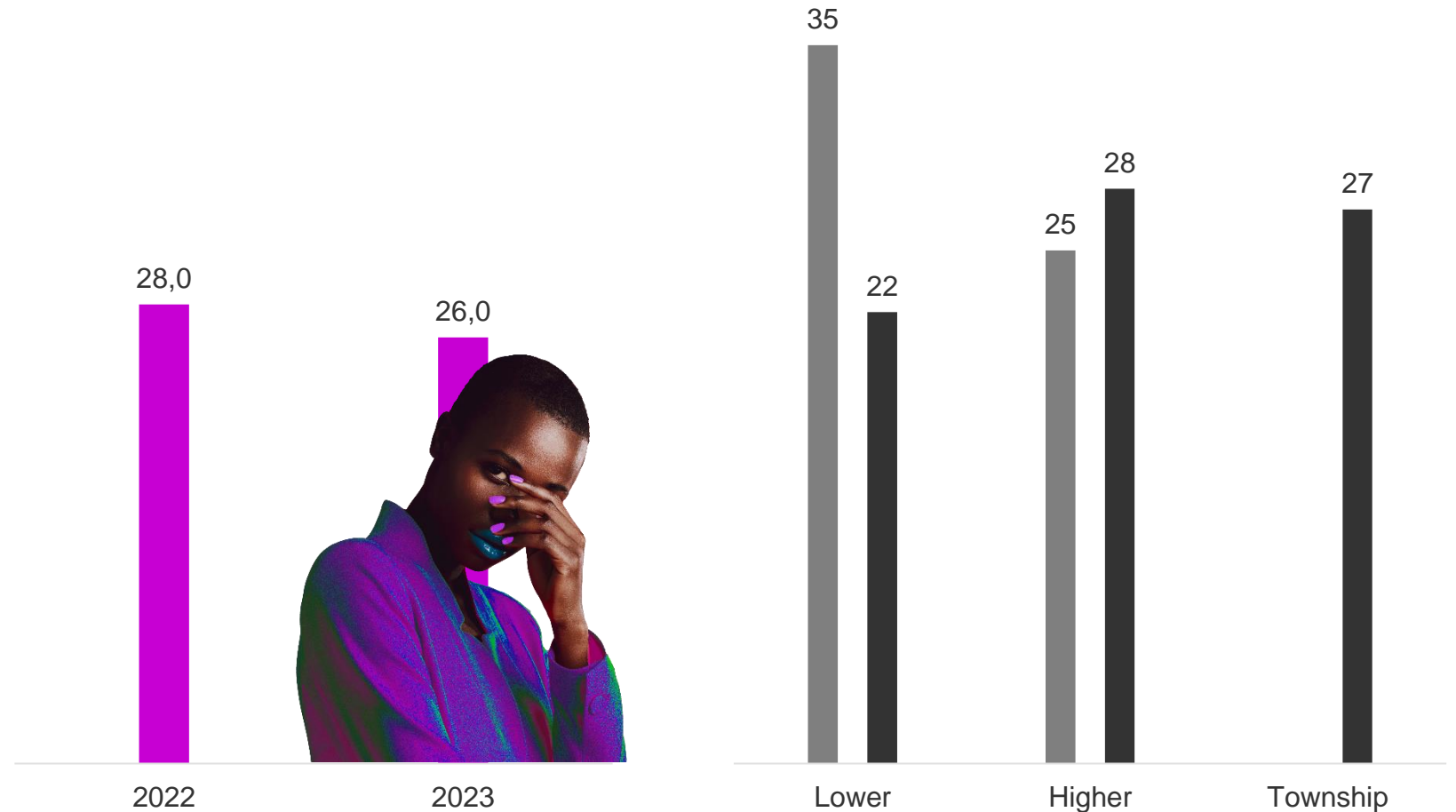
Try out new brands that are cheaper than your usual brands, more than I used to



# Yet we are doing our best not to downgrade to cheaper brands

Slight declines in this behaviour are driven by lower income

## Stick with the brands that you trust even if they are a little more expensive than others, more than I used to



I'm a smart shopper  
joining the club to  
access xtra savin



# 99%

of connected South Africans have a store loyalty card

# 84%

of customers say loyalty programmes influence where they shop

# 56%

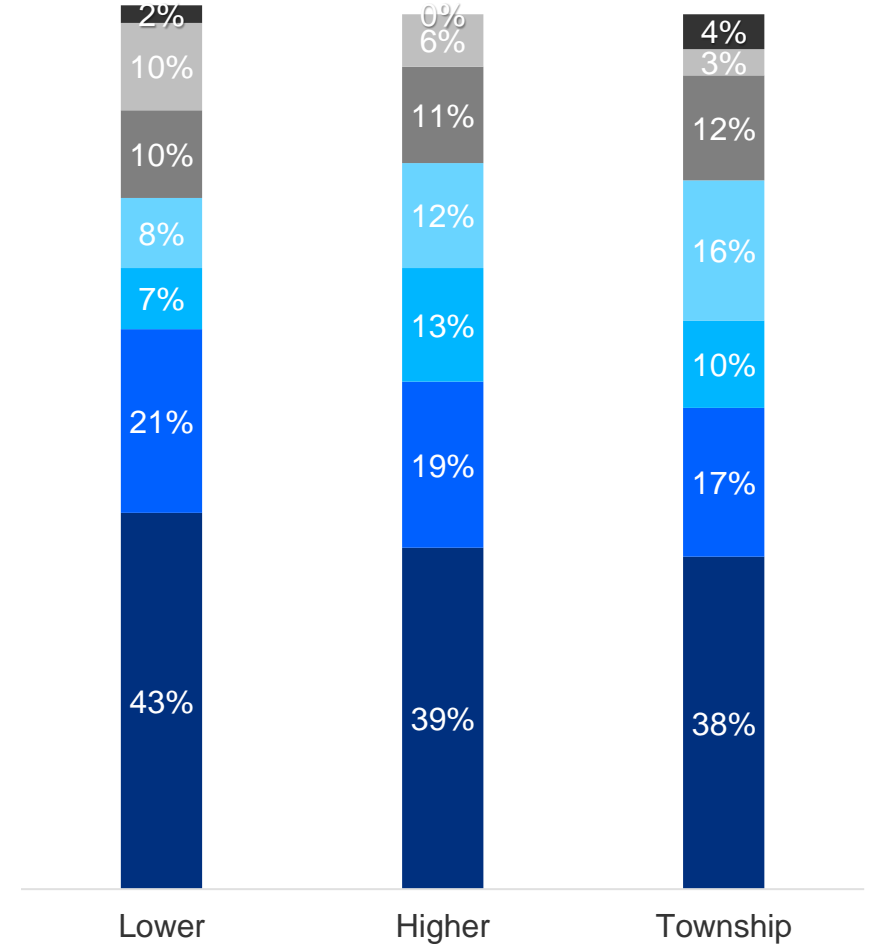
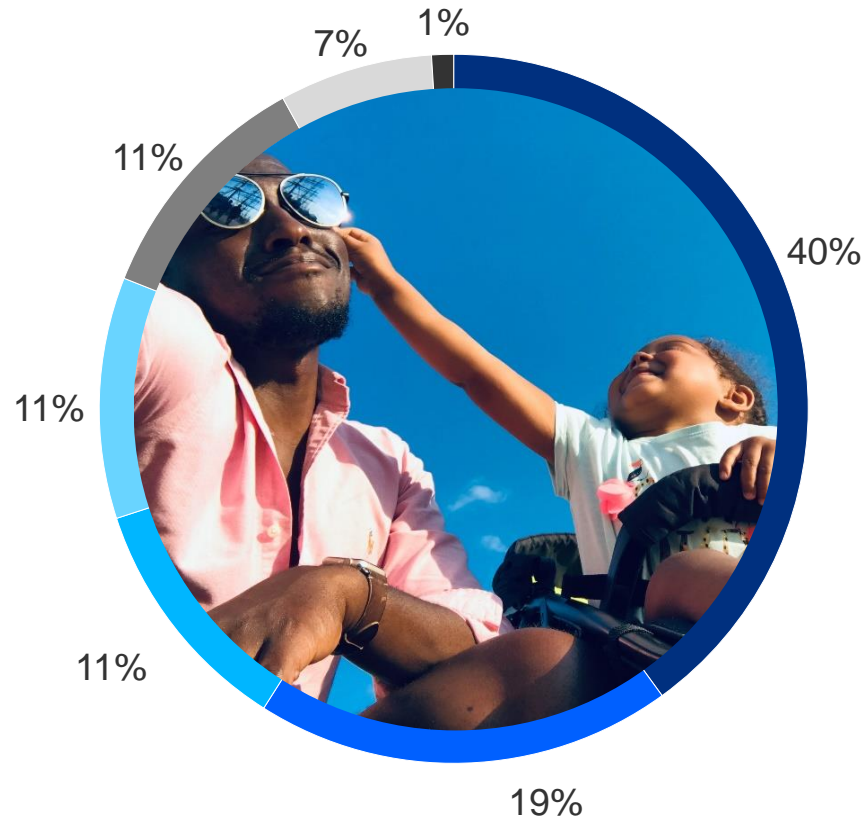
say it influences the products they buy



**Preference is for cash back into bank account, followed by discount vouchers**

### Preferred loyalty benefits

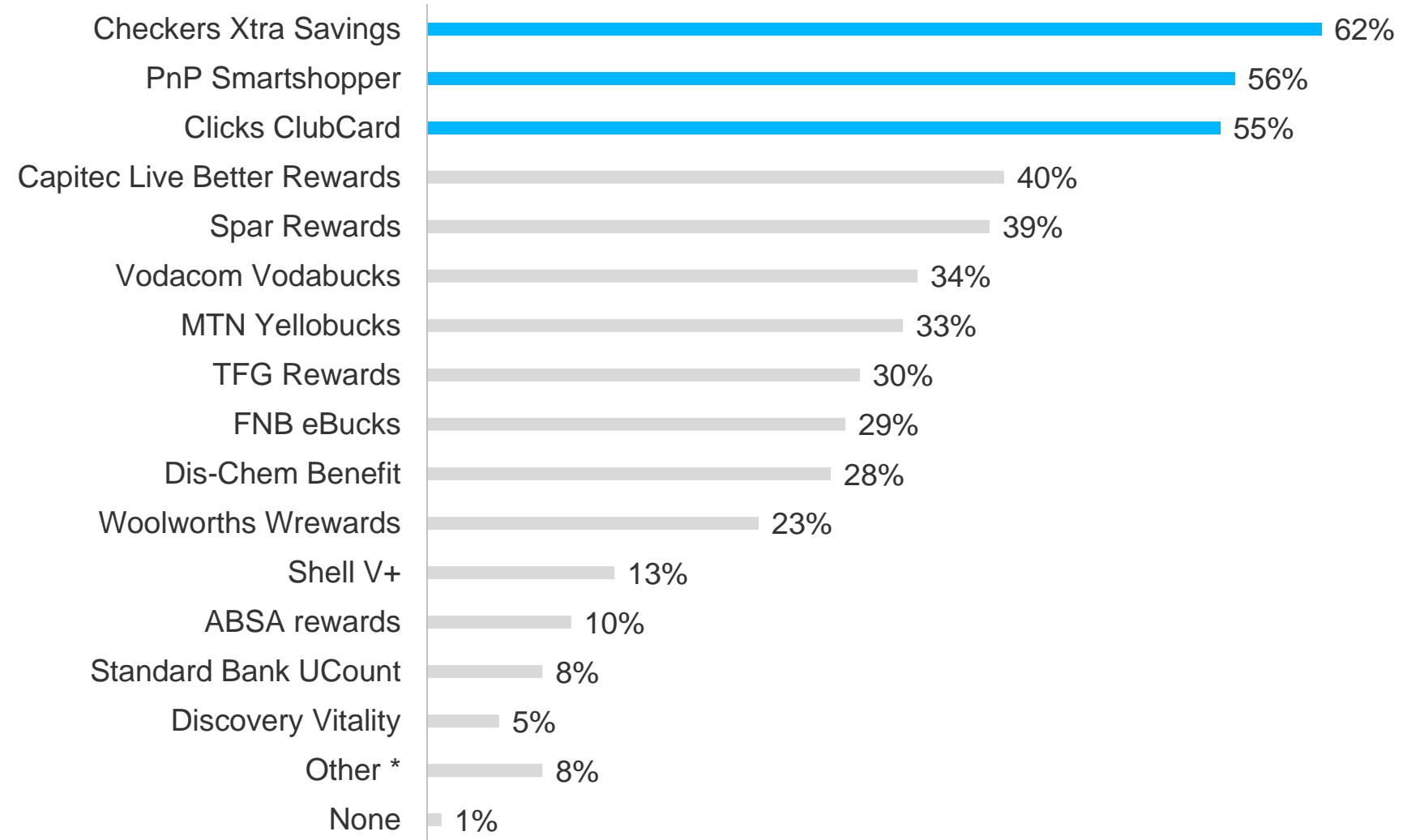
Cash back into bank account to be used anywhere | Discount vouchers | Cash back into card to be re-used with that brand | Cash back into card to be re-used at selected brands | Double points | Birthday offer | Charitable donations



# The top three loyalty programmes are

Checkers Xtra Savings, PnP Smart Shopper and Clicks ClubCard

## Loyalty programmes used



# There is high interaction between “loyalty” programmes

Slightly less so for Spar Rewards and Woolworths WRewards.

South Africans have an average of 9 active memberships.

## Percentage of programme members are also members of other programmes

		Main programme					
		Clicks ClubCard	PnP Smart Shopper	Checkers Xtra Savings	Dis-Chem Benefits	Woolworths WRewards	Spar Rewards
% of members in 'competitor' programmes	Clicks ClubCard	100%	83%	84%	86%	87%	86%
	PnP Smart Shopper	82%	100%	85%	85%	85%	88%
	Checkers Xtra Savings	71%	73%	100%	74%	78%	76%
	Dis-Chem Benefits	70%	70%	71%	100%	77%	74%
	Woolworths WRewards	60%	60%	64%	66%	100%	63%
	Spar Rewards	52%	53%	54%	55%	54%	100%

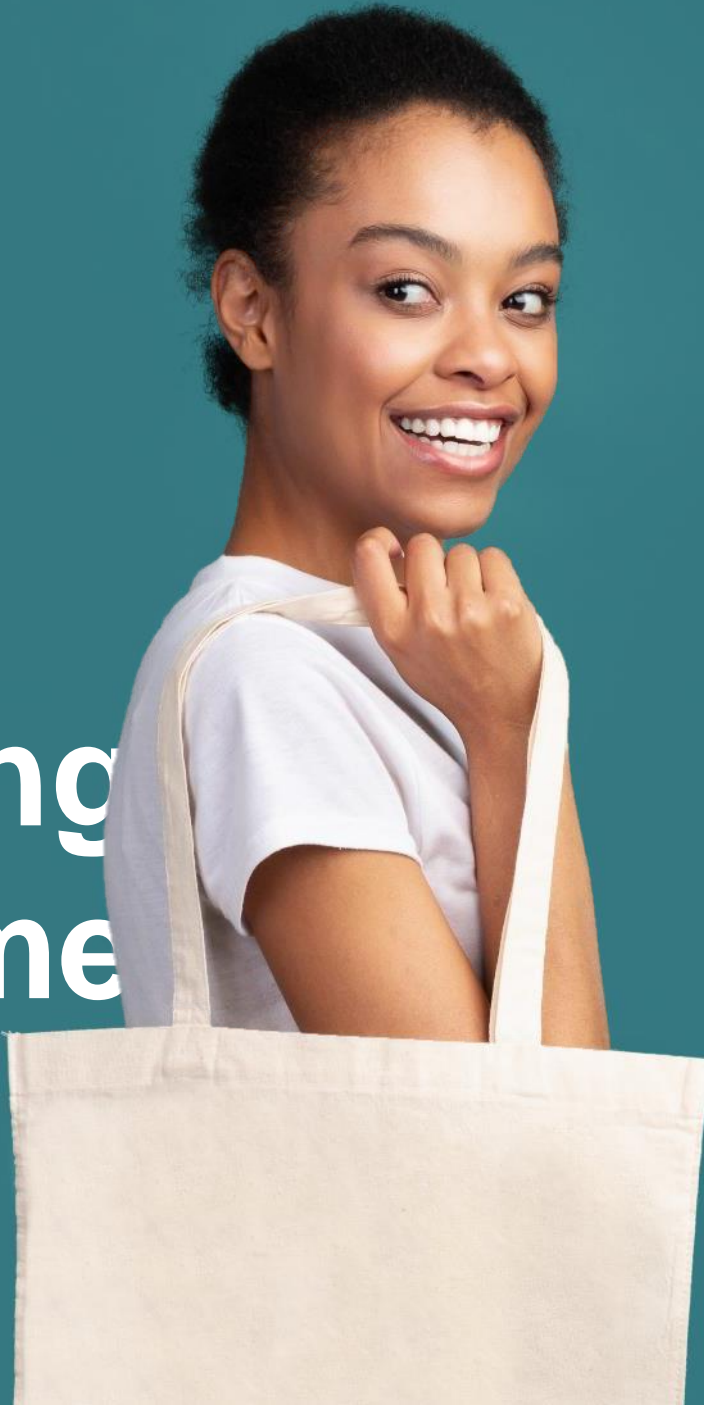
Source: BrandMapp2022

We're making  
loyalty work  
for us



I am investing  
in me

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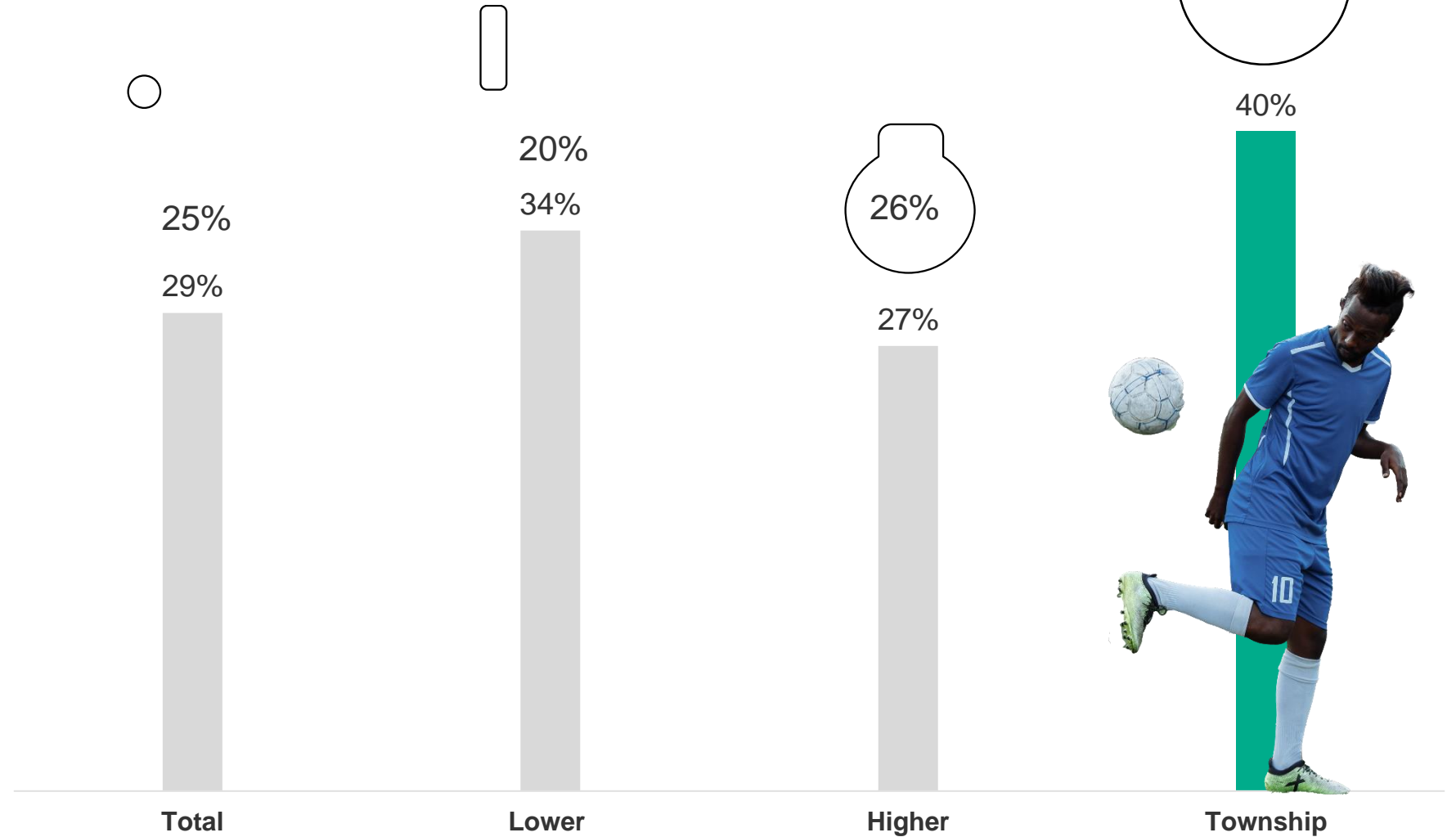
# South Africans are taking control and investing in their future success

Upskilling:

The most searched term in Google is “How to...”

- Exercising
- Eating healthier
- Drinking and smoking less

## Focus on personal development and wellbeing



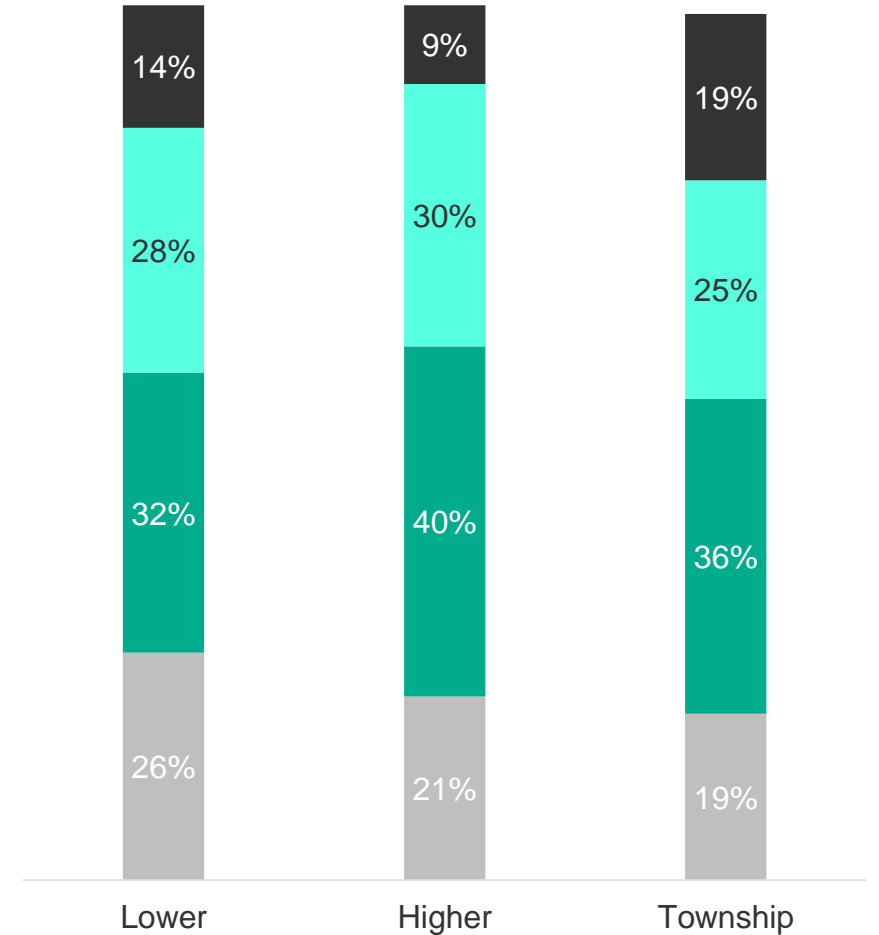
# Three quarters of South Africans

either want to, or have made healthier food choices

High desire for behaviour change amongst higher income and township based

## Eating habits

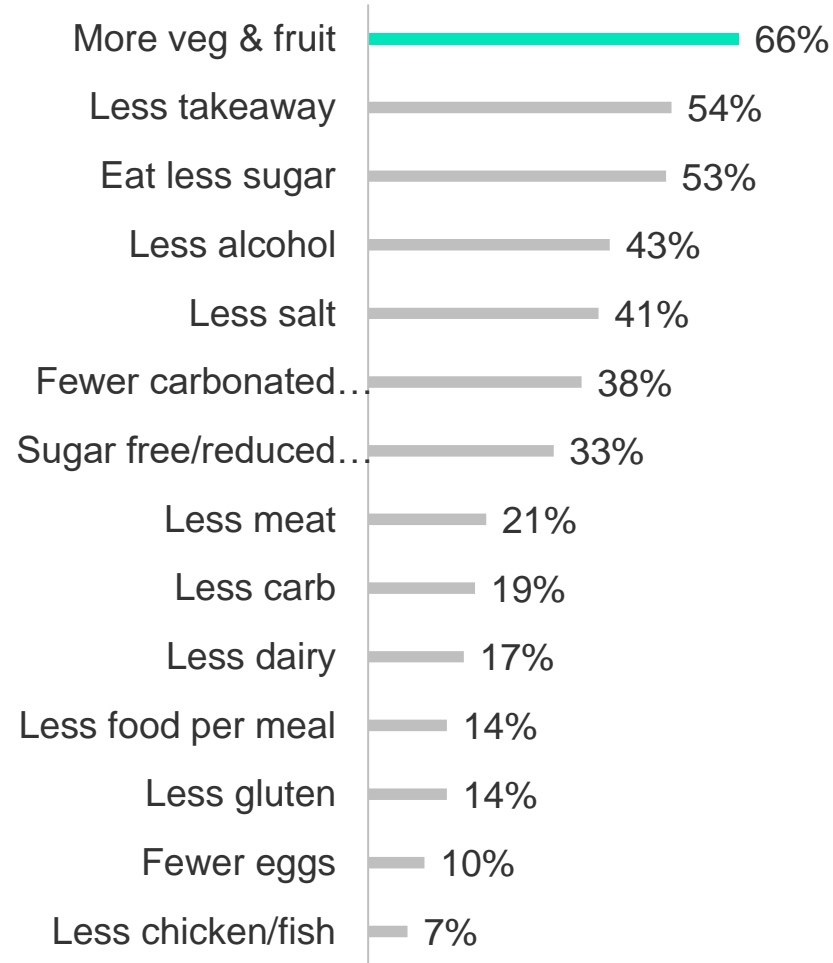
Eat the same and will continue | [Want to make healthier choices](#) | [Have made healthier choices](#) | Eating less healthily



## South Africans want to eat

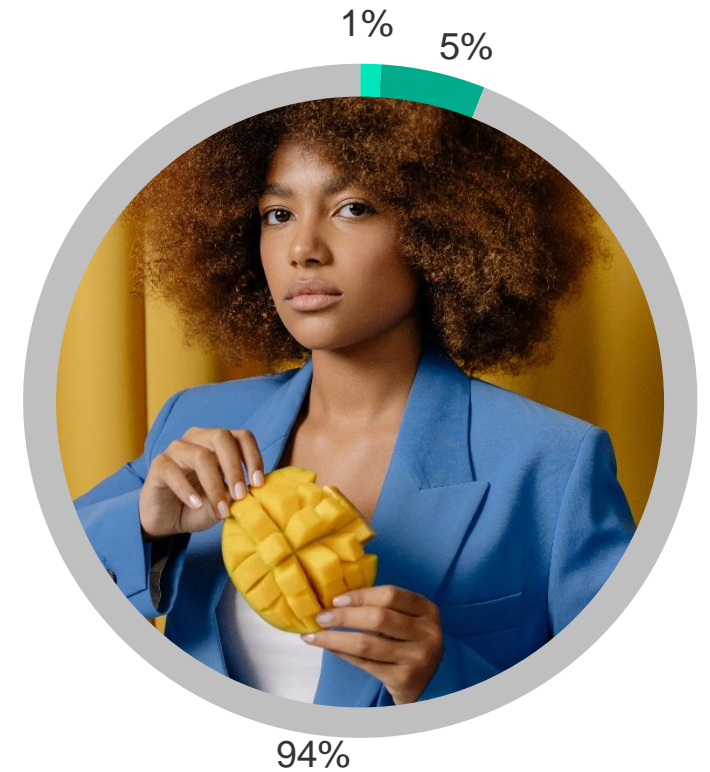
more fruit and vegetables, less takeaways, less sugar and less salt

## Amongst those who do/want to eat healthier, healthier eating plans



## Dietary type

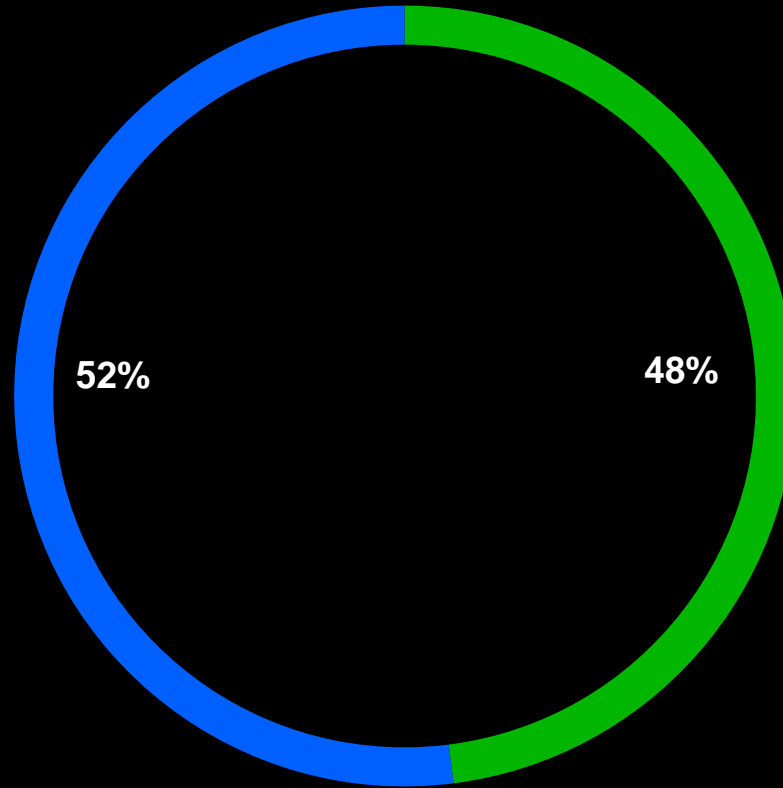
Vegan | Vegetarian | Meat eater



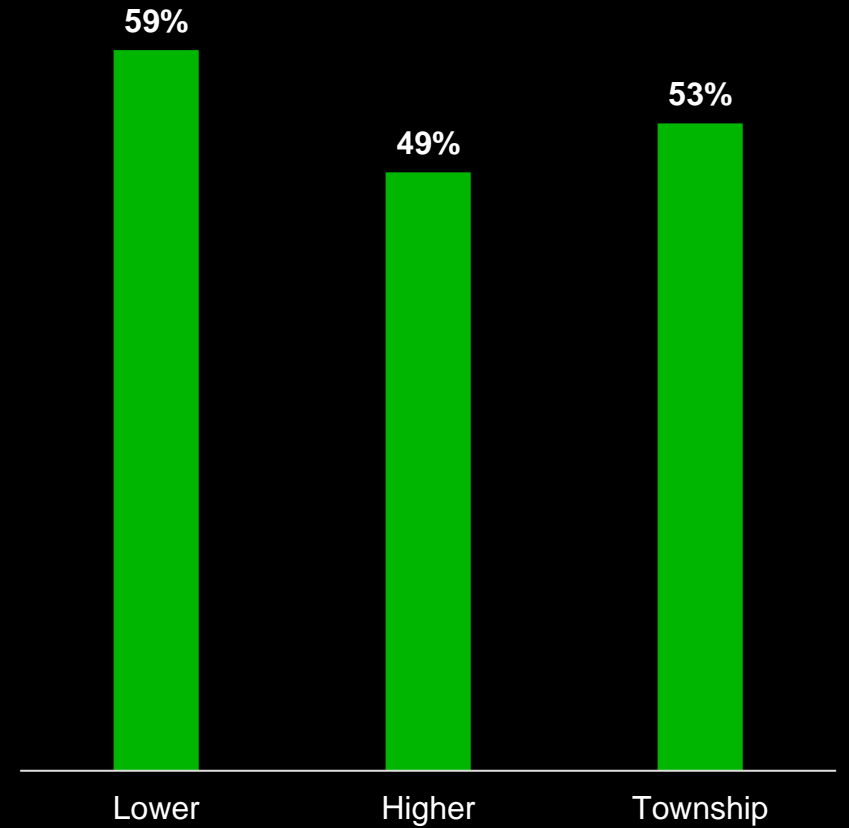
**However, half of us are buying less fresh produce to avoid wastage and spoiling**

More prominent amongst lower income

Food purchase preference



Buying less fresh produce



Shop fresh food the same as before  
Buy less fresh food to avoid wastage and spoiling

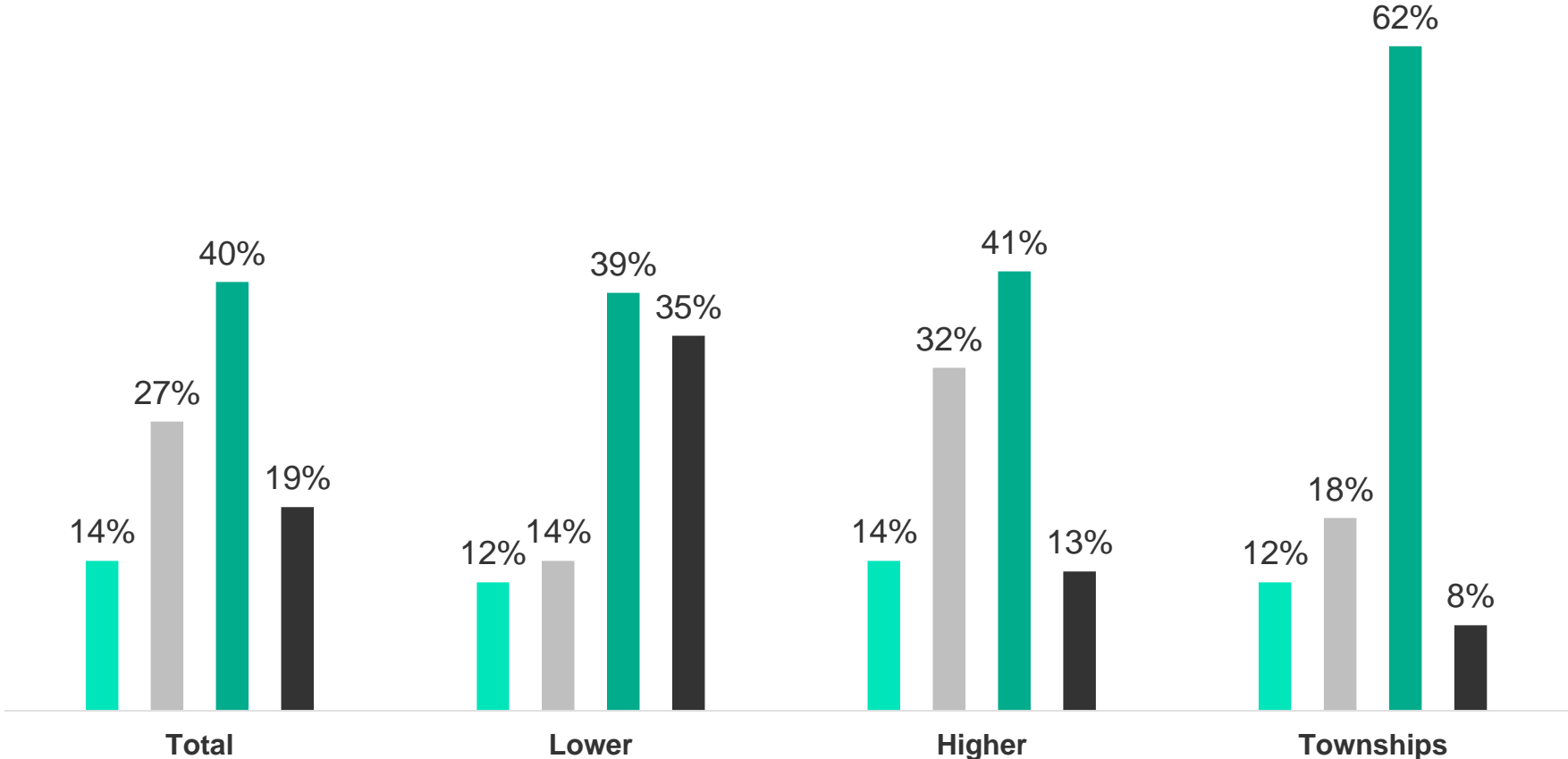
# 40% of South Africans have cut down on their alcohol consumption

Up from 36% in 2022

Particularly exaggerated in townships where there is a higher percentage of drinkers

## Alcohol behaviour over time

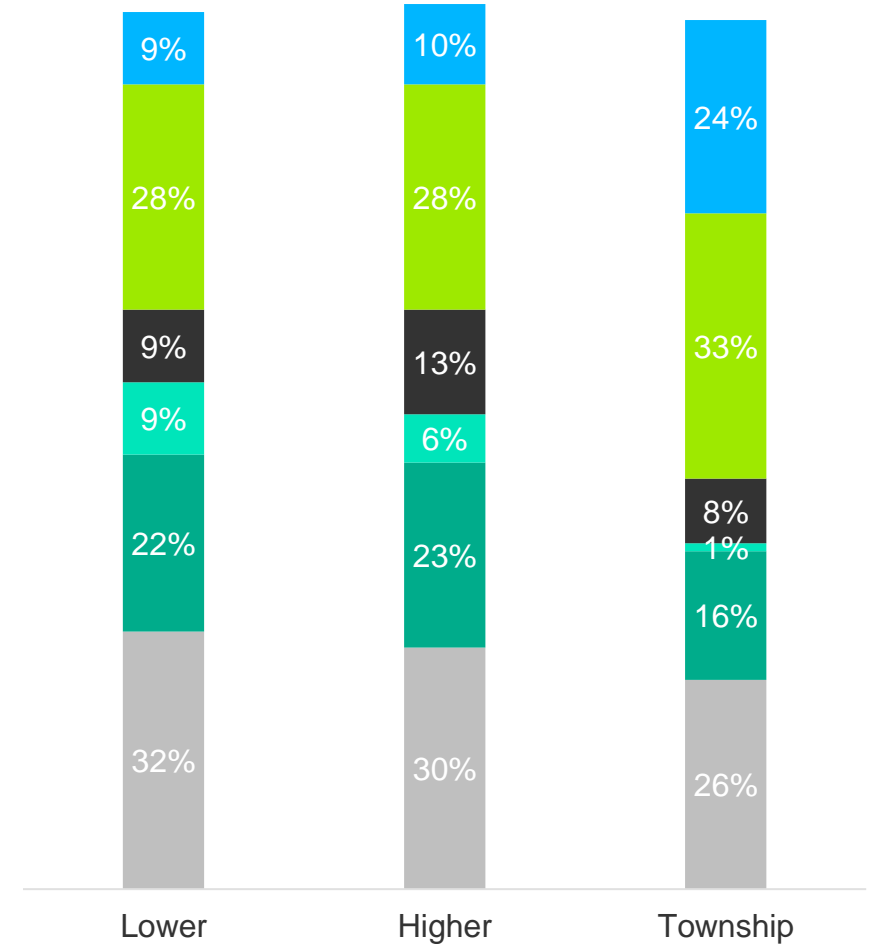
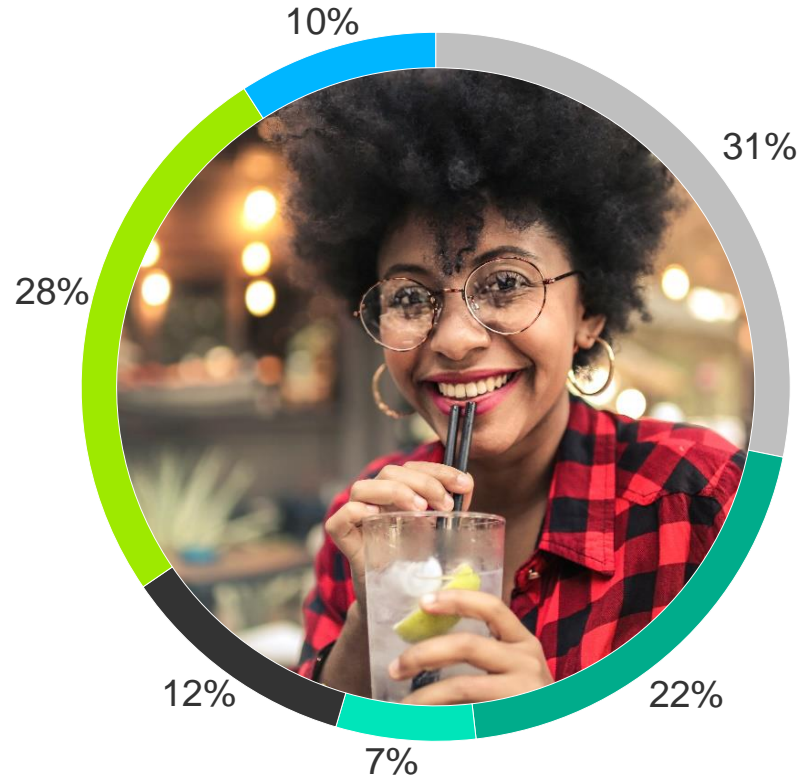
Drink more | Drink about the same | Drink less than I used to | Don't drink alcohol



**Amongst drinkers,**  
a third are swopping to  
cheaper brands, a fifth are  
drinking less

## Alcohol behaviour change

Same types brands and amounts as always | Same types but swapping to cheaper brands | Same types but more expensive brands | Same types of alcohol but more of it | Same types of alcohol but less of it | Swapping to different types of alcohol



In townships, we see consumers switching to different categories which we have seen to be wine via Kantar Worldpanel

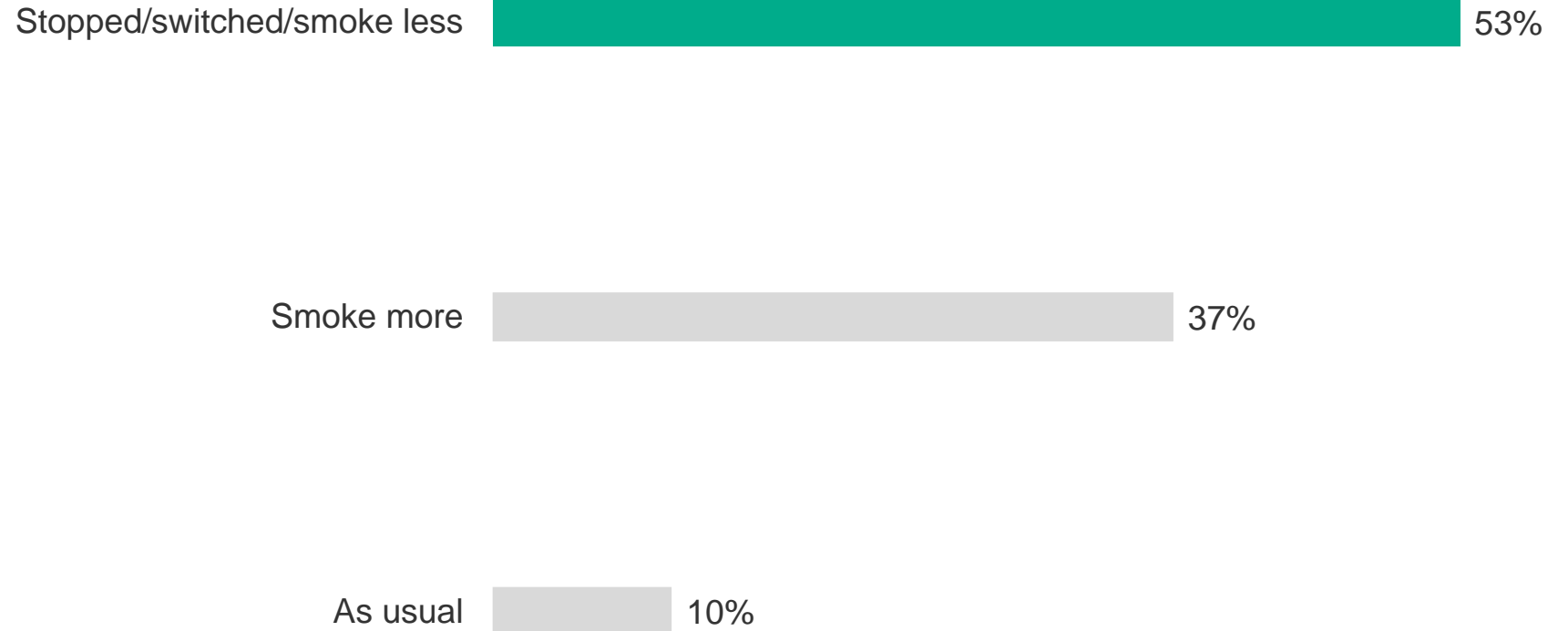
# More than half of smokers have either

stopped smoking, switched to non combustibles or are smoking less

## Do not smoke:

- Total 48%
- Lower 57%
- Higher 44%
- Townships 68% (high female skew)

## Smoking change over time





The hustle is real

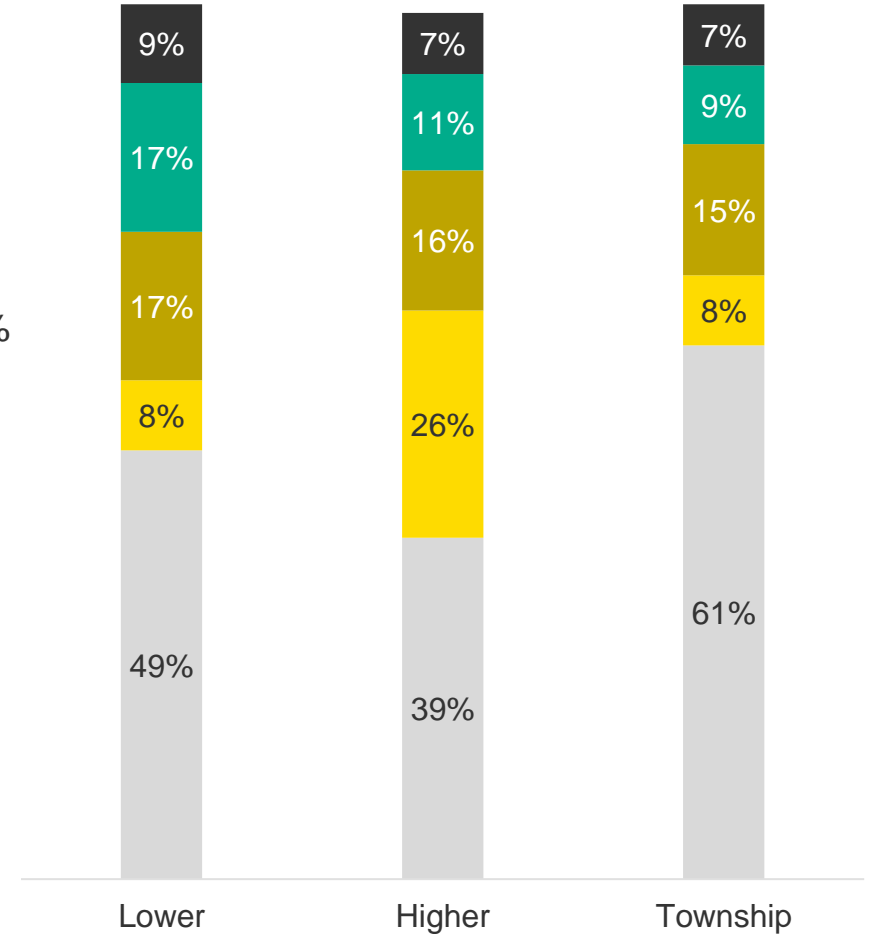
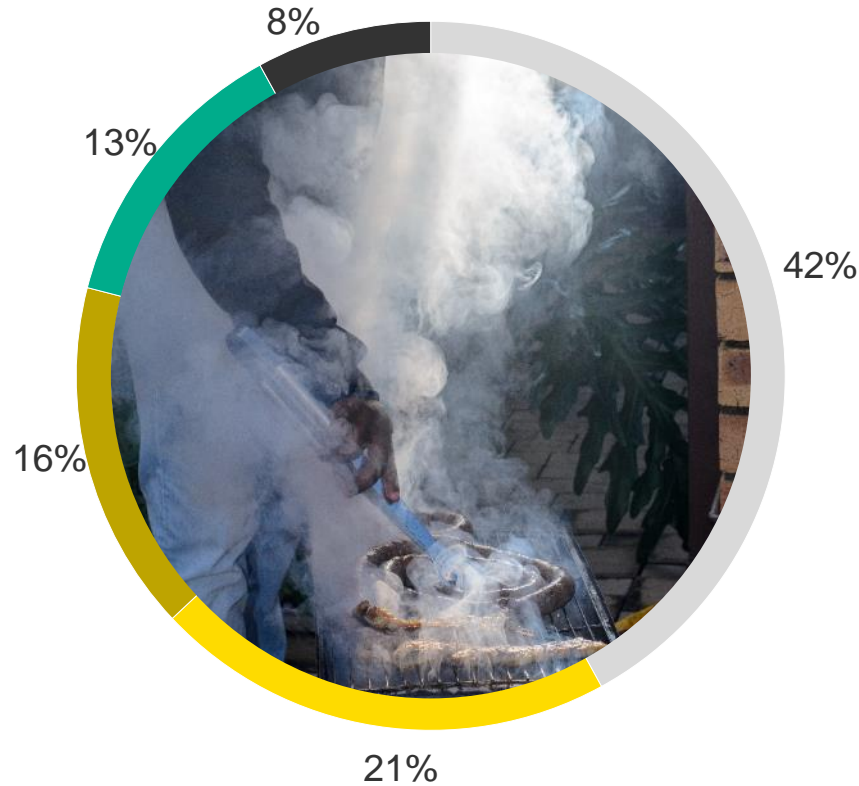
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# The majority of South Africans are

either considering how to supplement their income or have already done so

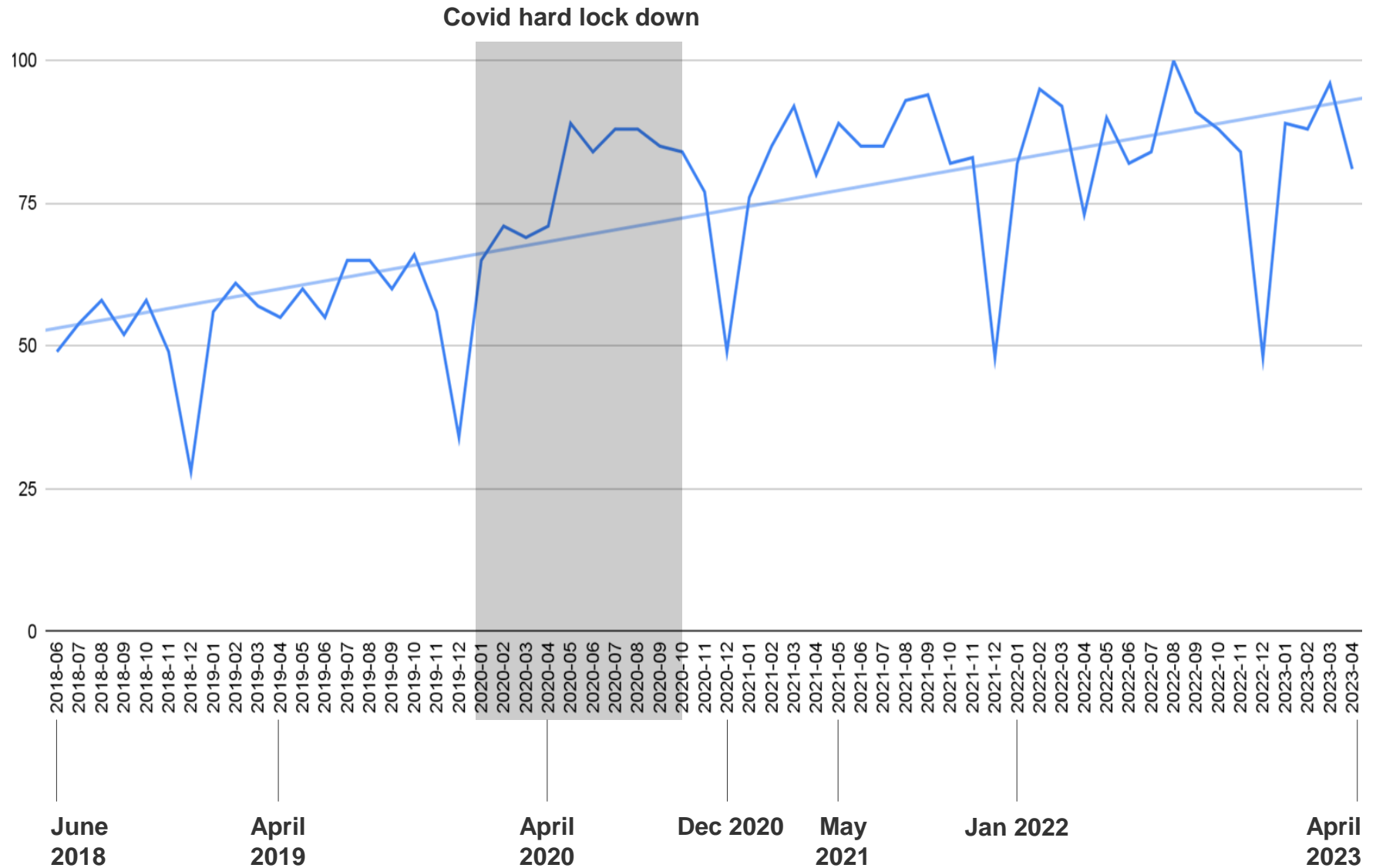
- No, but considering how to
- Yes, started a business
- Yes, new business has become my primary income
- No, not done anything
- Yes, taken on another job

## Supplementing income



# Confirmed by Google, who reports that

searches related to business formalisation and incorporation documents are trending up



# The hustle spans categories and industries,

leveraging access and resources.

Social media has become a market place

## Main hustles

**Career 'plug-finders':** buying and selling via social media and WhatsApp

- Clothing and accessories
- Beauty and cosmetics
- Household items (e.g. Tupperware, blankets)

Making meals for resale

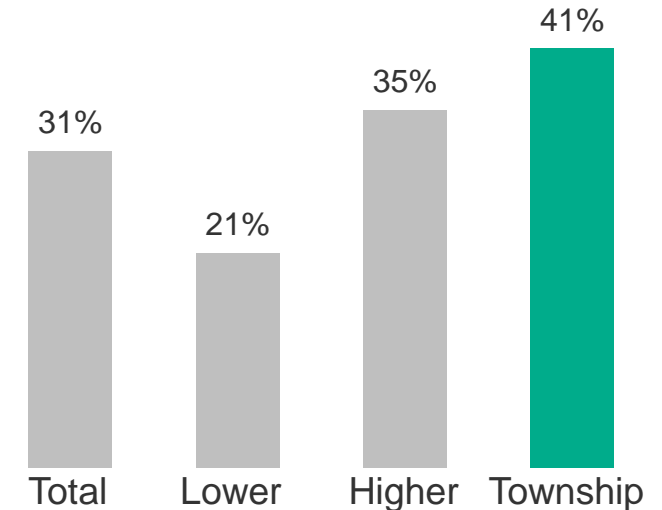
IT support/assistance selling airtime



## Next on the list

- Offering a delivery service/being a 'runner'
- Selling fast-food/street vendors
- Home maintenance/DIY
- Hairdressing and nail technician (which tend to happen together)
- Shop for you (personal shoppers): TikTok

## Buy locally produced products and services more than I used to



WHAT ARE  
SOUTH  
AFRICANS DOING  
WHEN THE  
LIGHTS GO OUT?



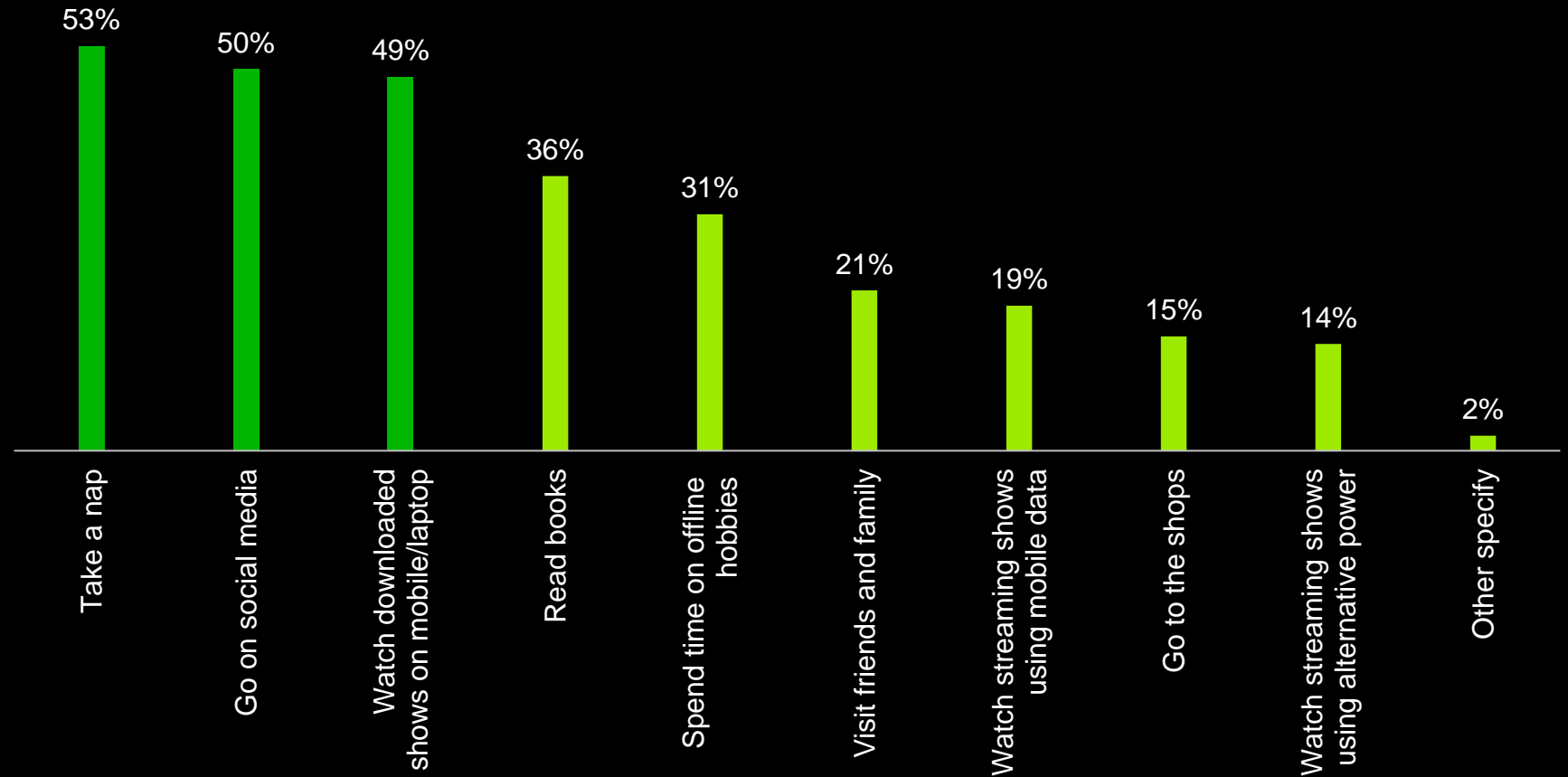
# FIRST THINGS FIRST, A NAP!

53% of people take a  
nap, slightly higher in  
townships



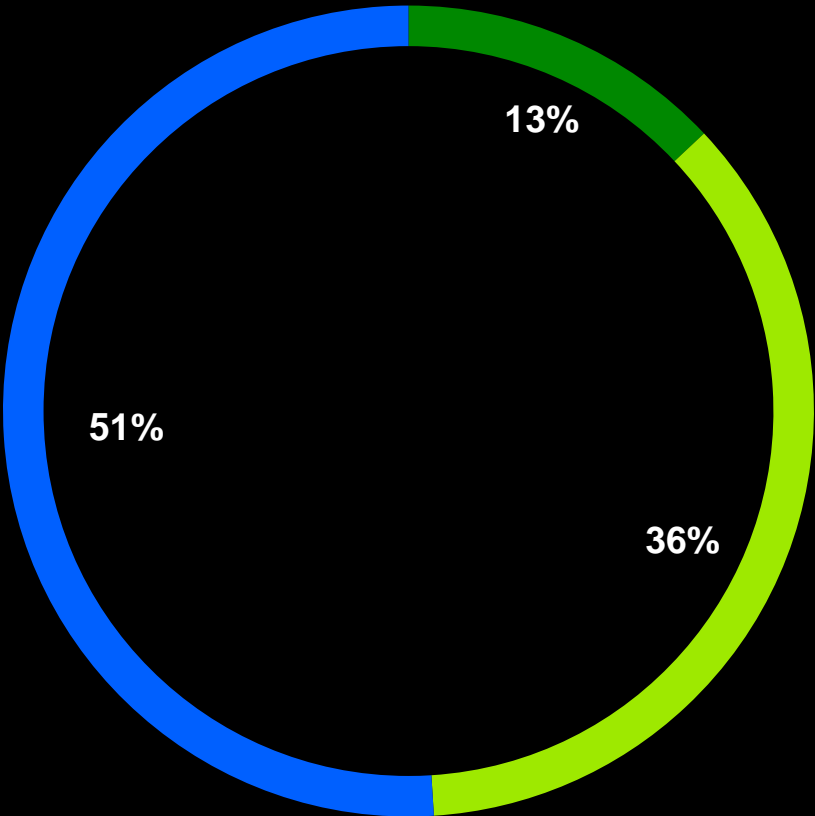
Then we head onto social media or watch downloaded shows on our mobile phones

### Activities during loadshedding (when not working)



# The majority of us switch over to mobile data

## Internet access during loadshedding



Remain offline till power is back  
No interruption as I stay connected  
Switch from Wi-Fi to mobile data



A man with dark skin and curly hair is shown in profile, looking down at a smartphone. He is in silhouette against a dark background, with the only light source being the screen of the phone. The background shows a dark sky and the silhouettes of trees.

**‘Online’  
is a light in the  
darkness**

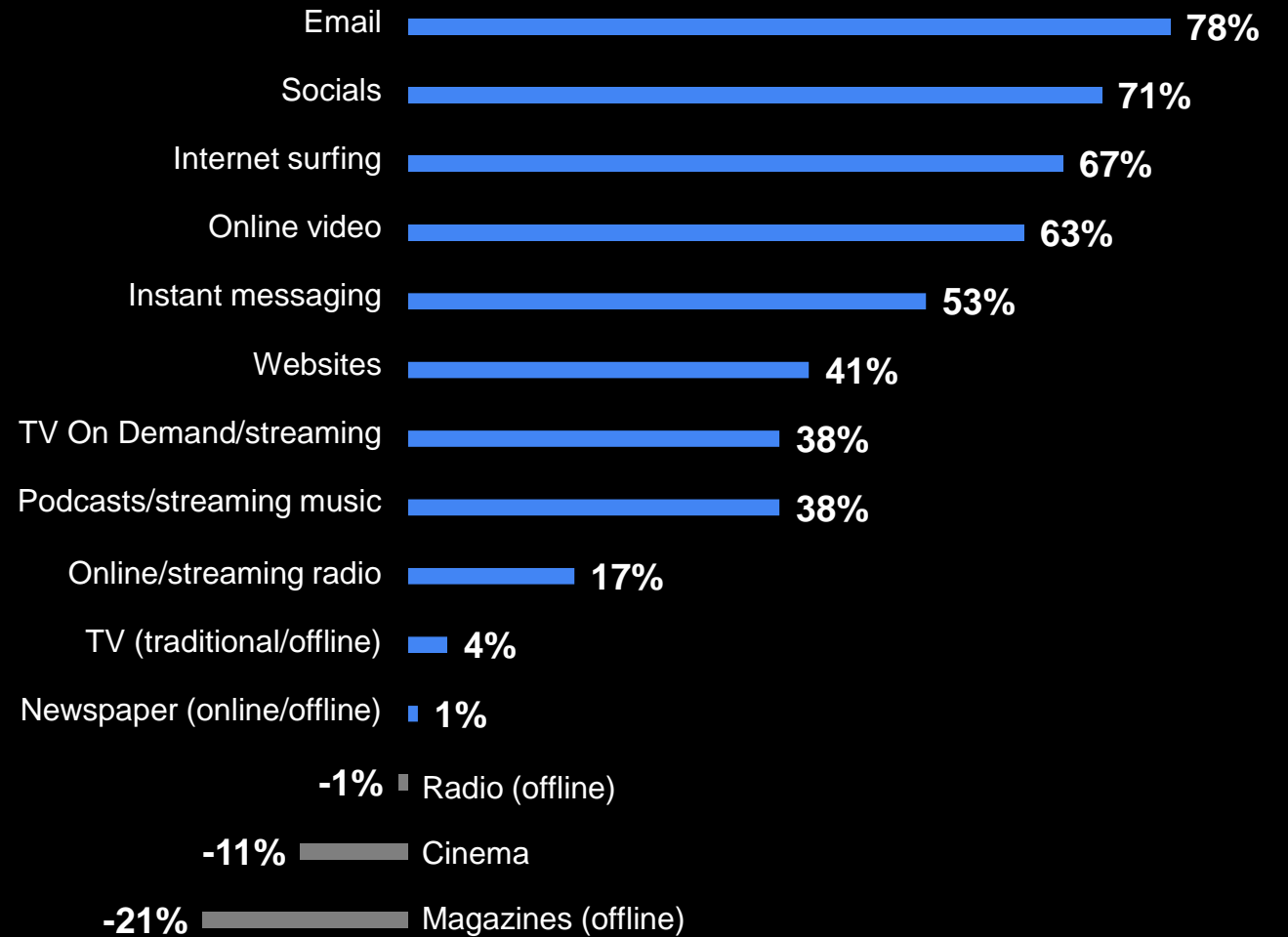
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**KANTAR MZANSI BAROMETER**

# Continued high increase in usage of emails, social networking, internet searching and online video

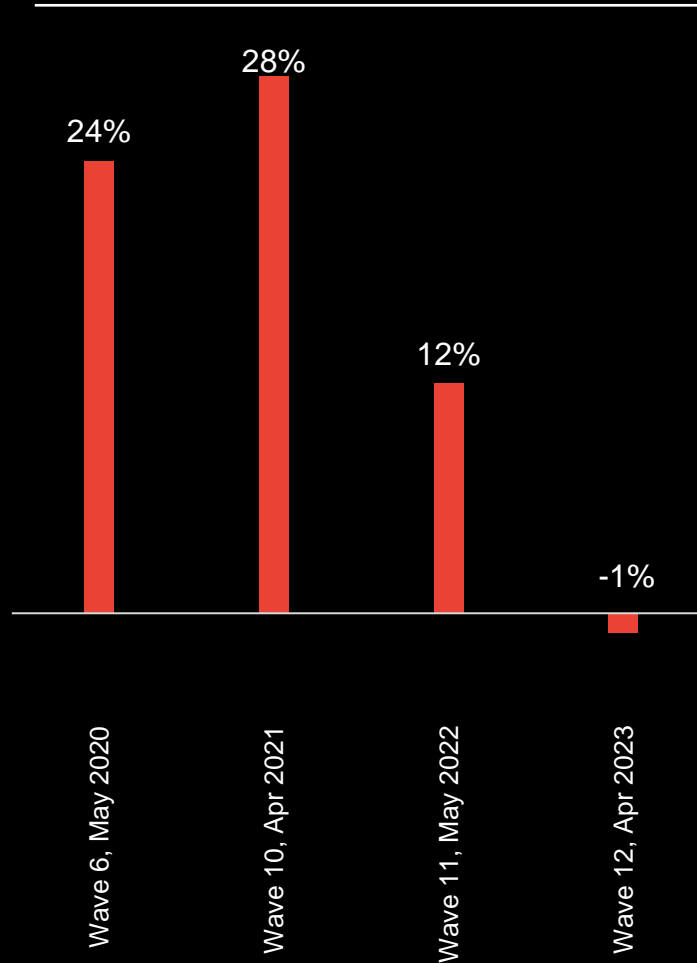
TV growth has slowed significantly, traditional radio consumption now in decline

## Use of media channels: Net increase/decrease vs a year ago

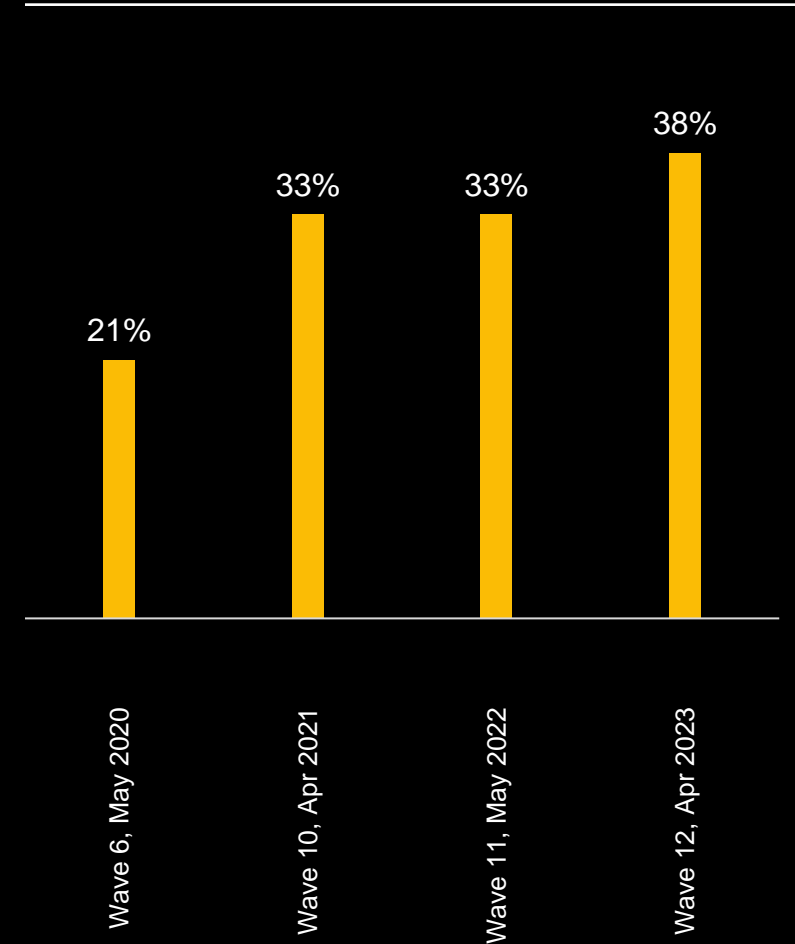


# Traditional radio declines as listening to podcasts and streaming music gains momentum

Nett traditional (offline) radio



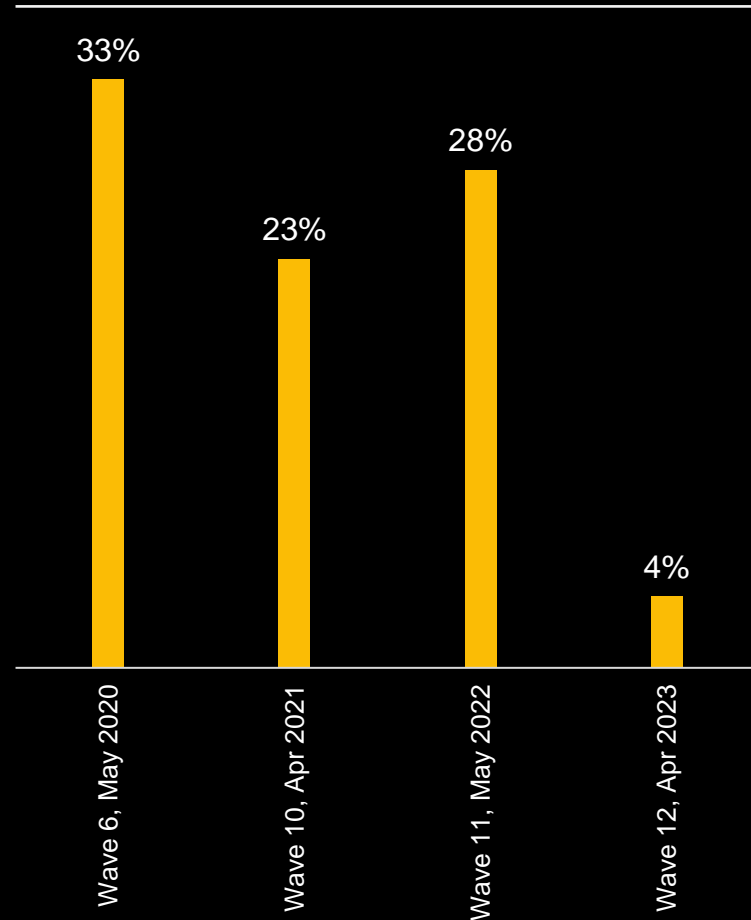
Nett listening to podcasts/streaming music



# Growth in TV usage is slowing down over time, accelerated by loadshedding

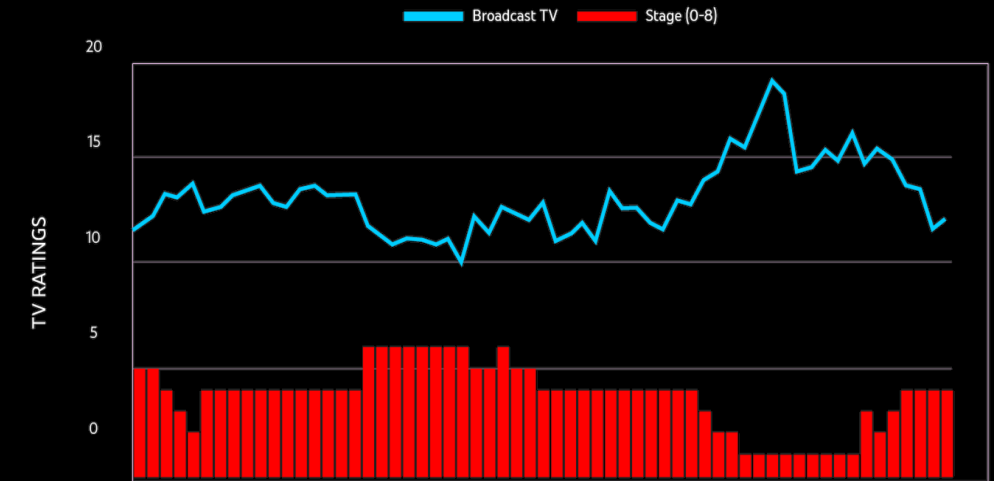
Traditional TV declining over the past 3 years, significantly so over higher loadshedding period. GRPs decline over high loadshedding

**TV Nett Growth**  
(increase – decrease), 2020-2023



# Broadcast TV overlaid with loadshedding stages

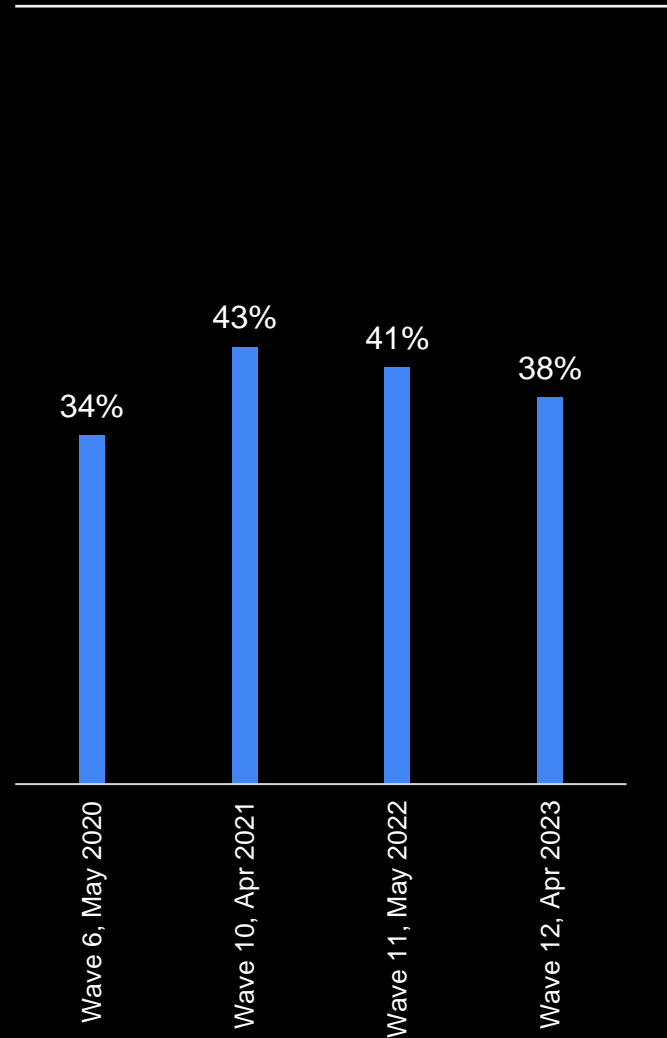
Feb – March 2023



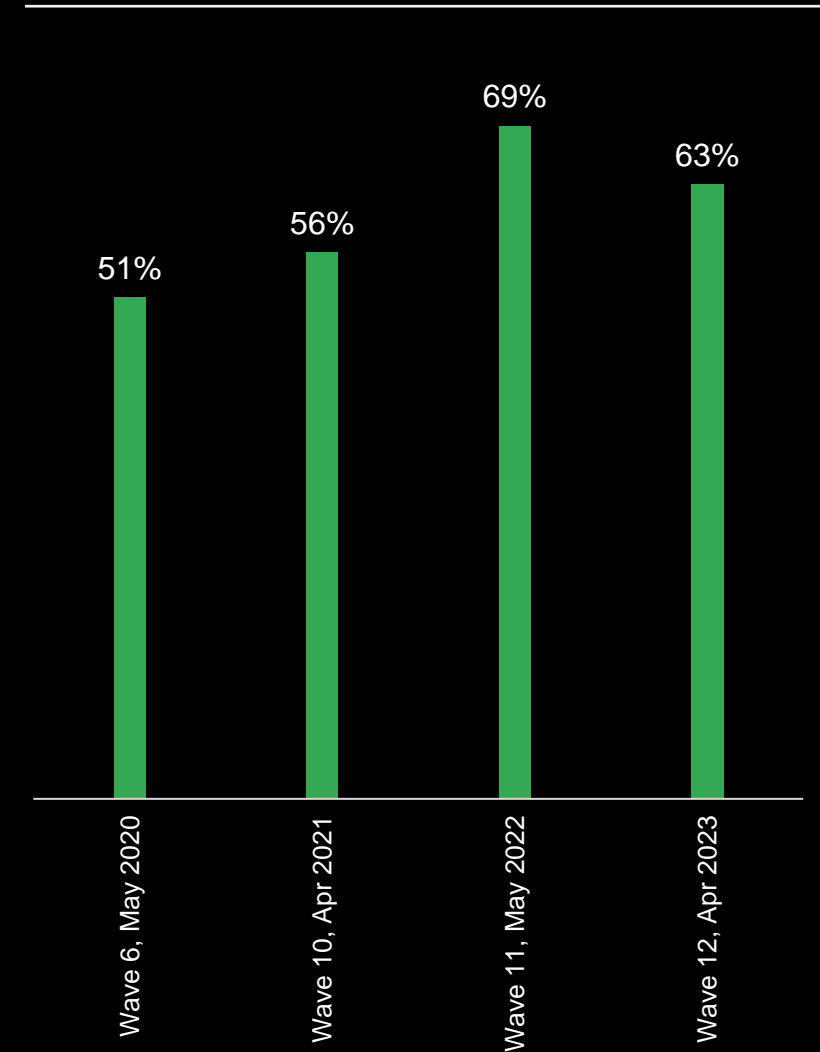
# Both tv on demand/ streaming and online video continue high growth trend, even over loadshedding period

Both platforms can be accessed  
by downloading ahead of  
watching

### Nett TV on demand/streaming



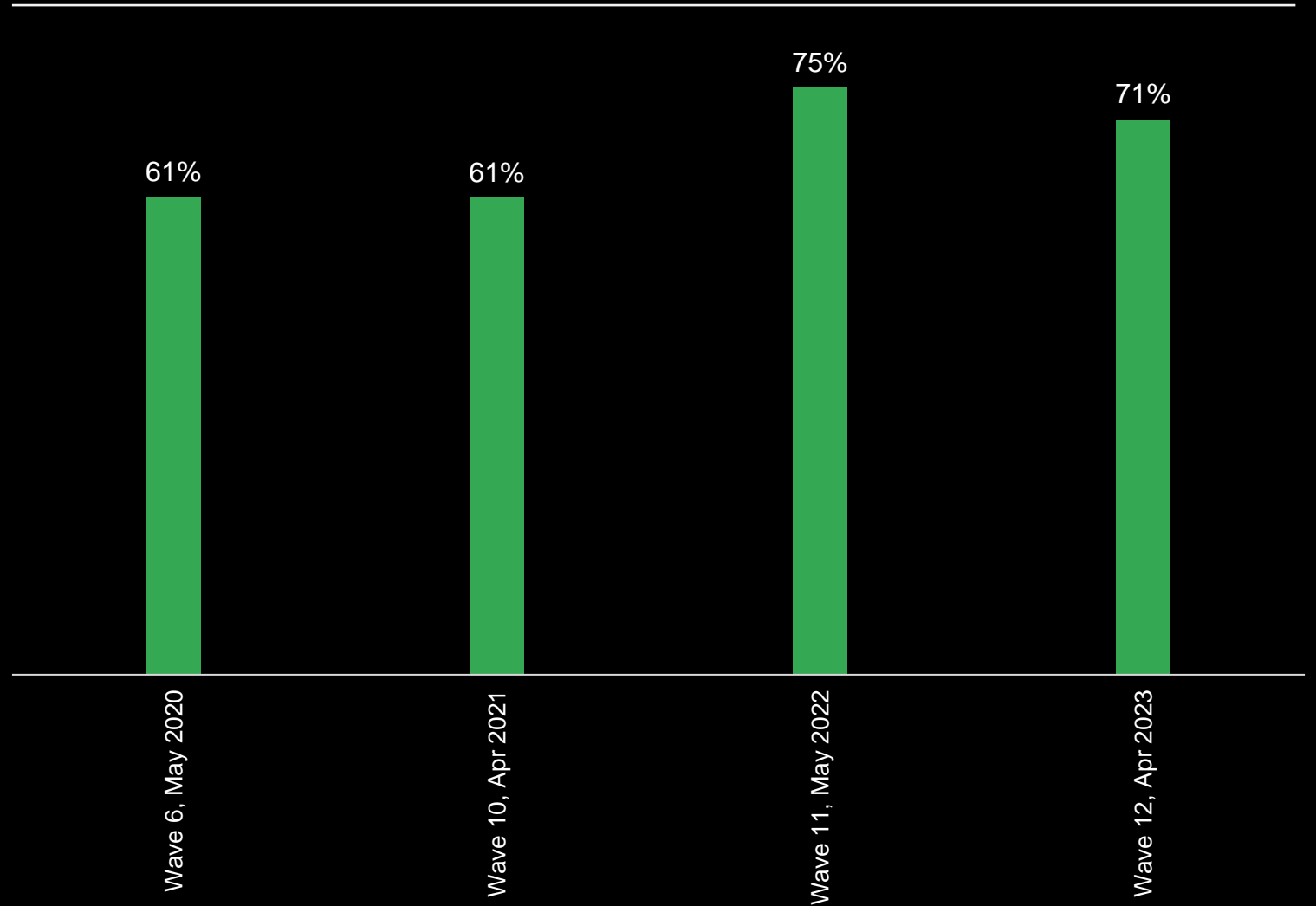
### Nett online video



# Social media continues to grow, even as loadshedding gains in intensity

And social platforms need to be accessed while online

## Nett growth in social networking



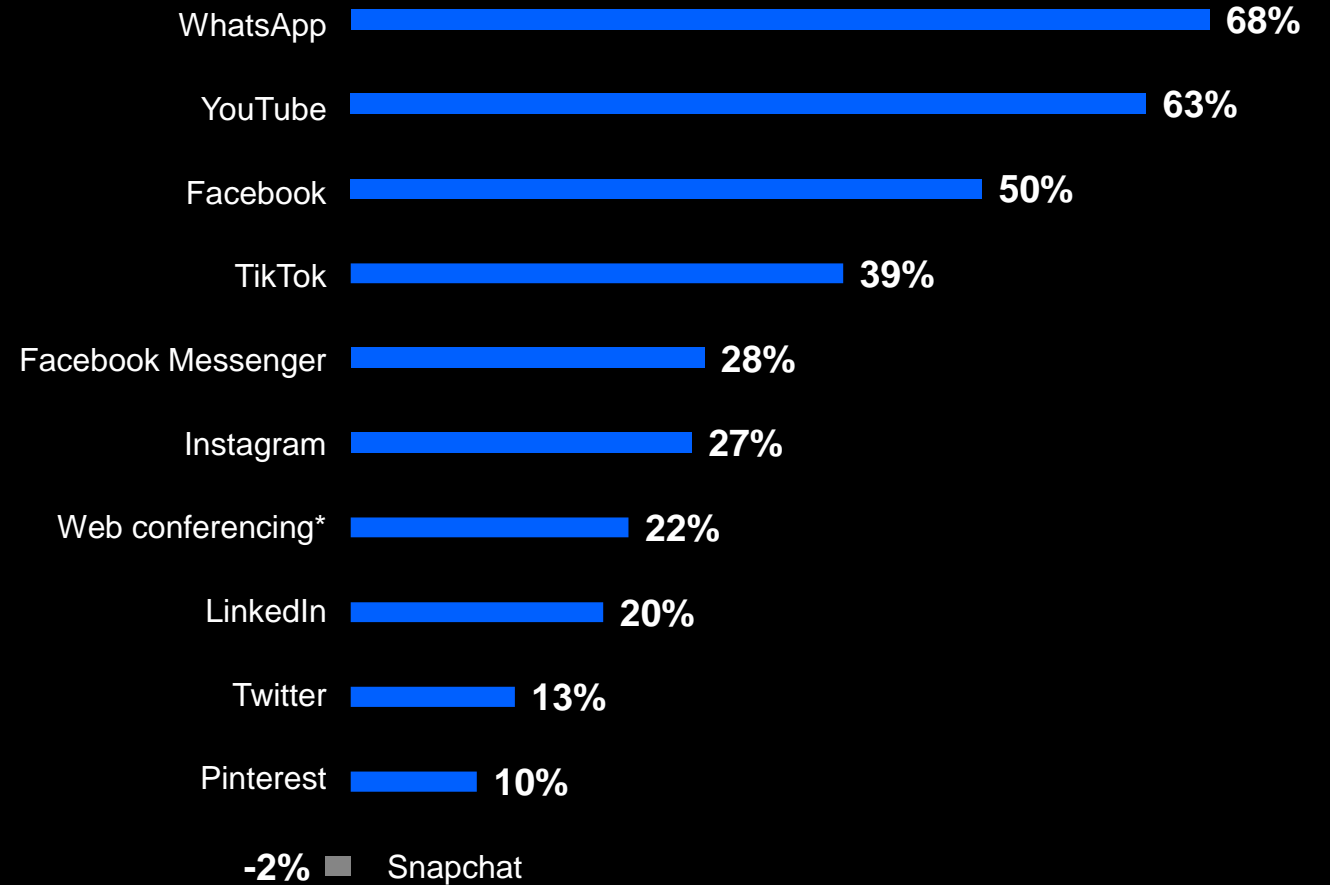
# Most platforms are used by all South Africans



# And all of these social platforms\* continue high growth trend even during severe loadshedding

\*With the exception of Snapchat

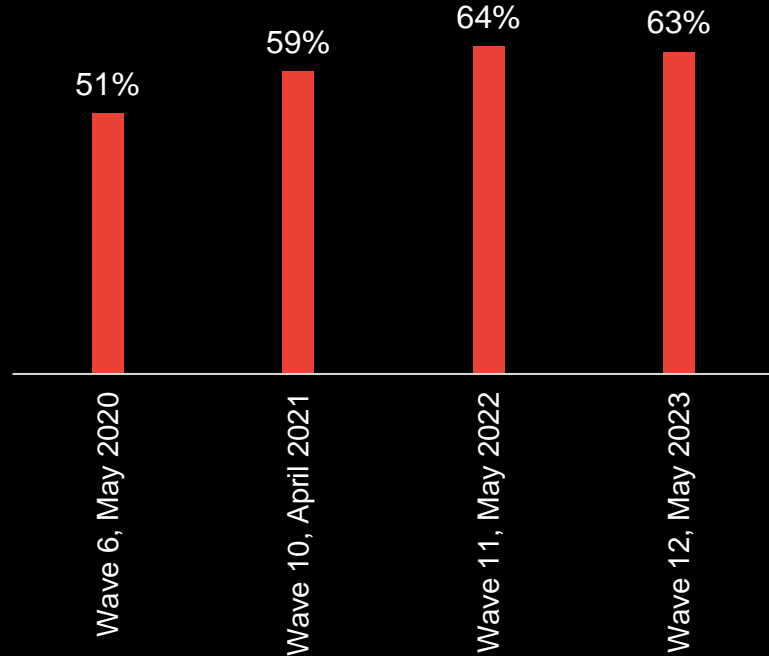
## Use of social media channels: Net increase/decrease vs a year ago



# YouTube, LinkedIn and TikTok are actually showing stronger growth this year vs last year

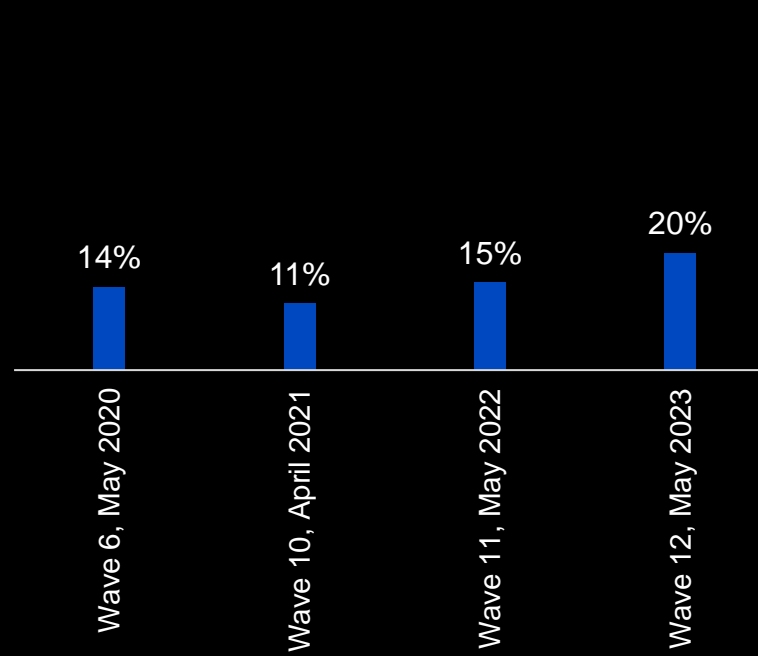
## Nett YouTube growth

(97% penetration)



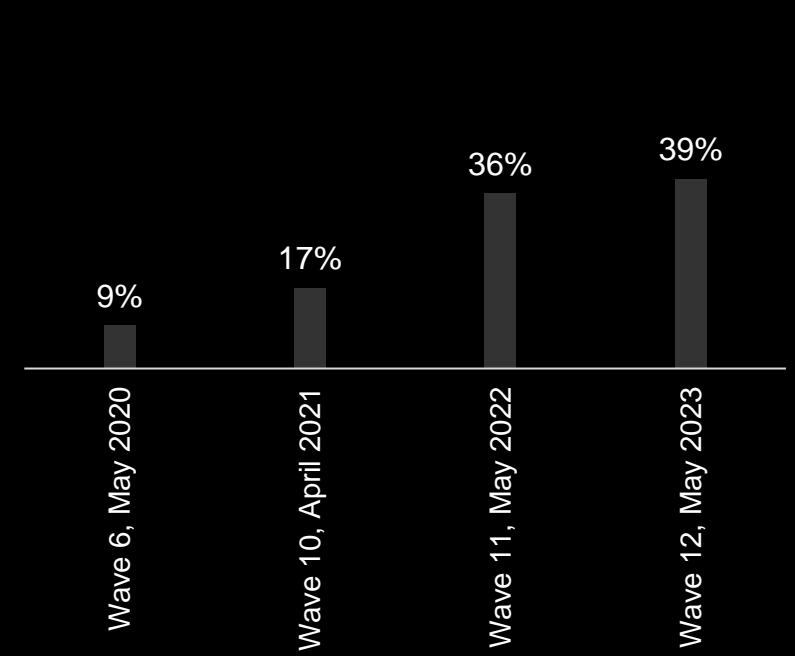
## Nett LinkedIn growth

(75% penetration)

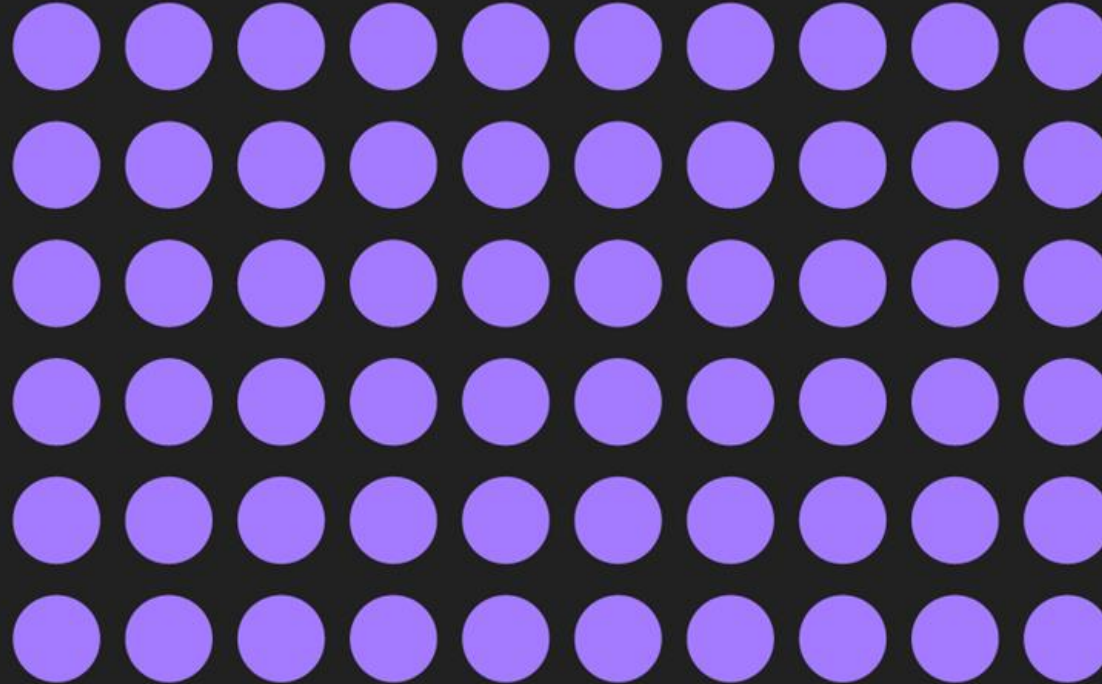


## Nett TikTok growth

(79% penetration)



**YouTube  
specifically, has a  
97% penetration  
amongst connected  
South Africans,  
meaning it has  
incredible reach**



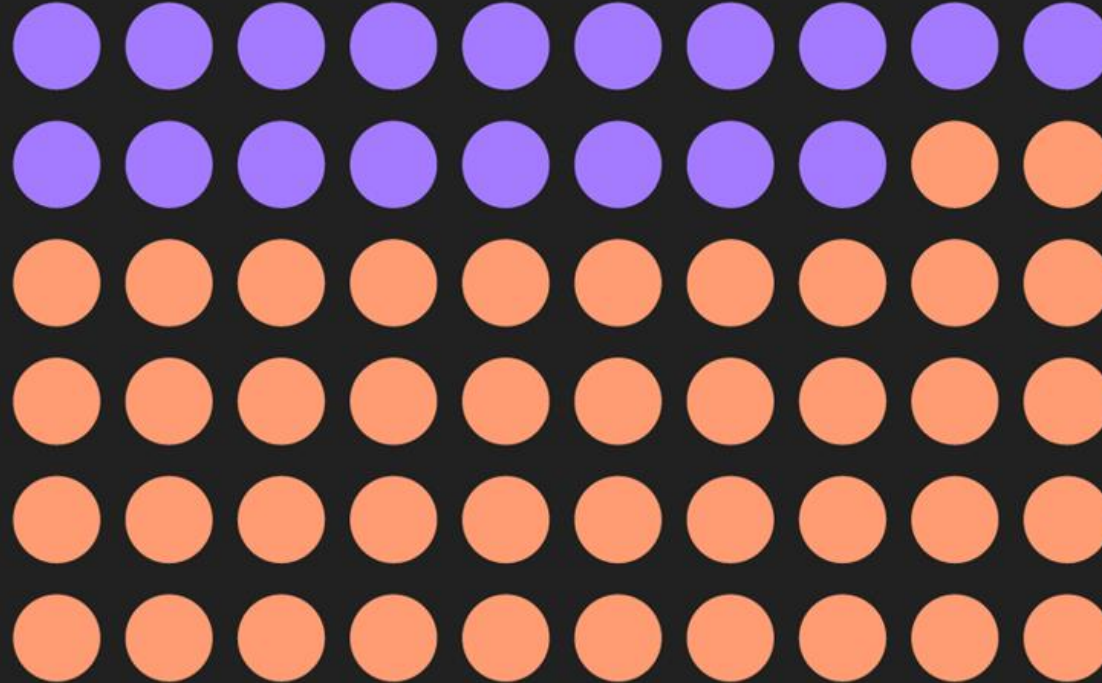
SA population

**Lets contextualise**

There are 60 dots on this page and they represent the 60 million adult people in South Africa

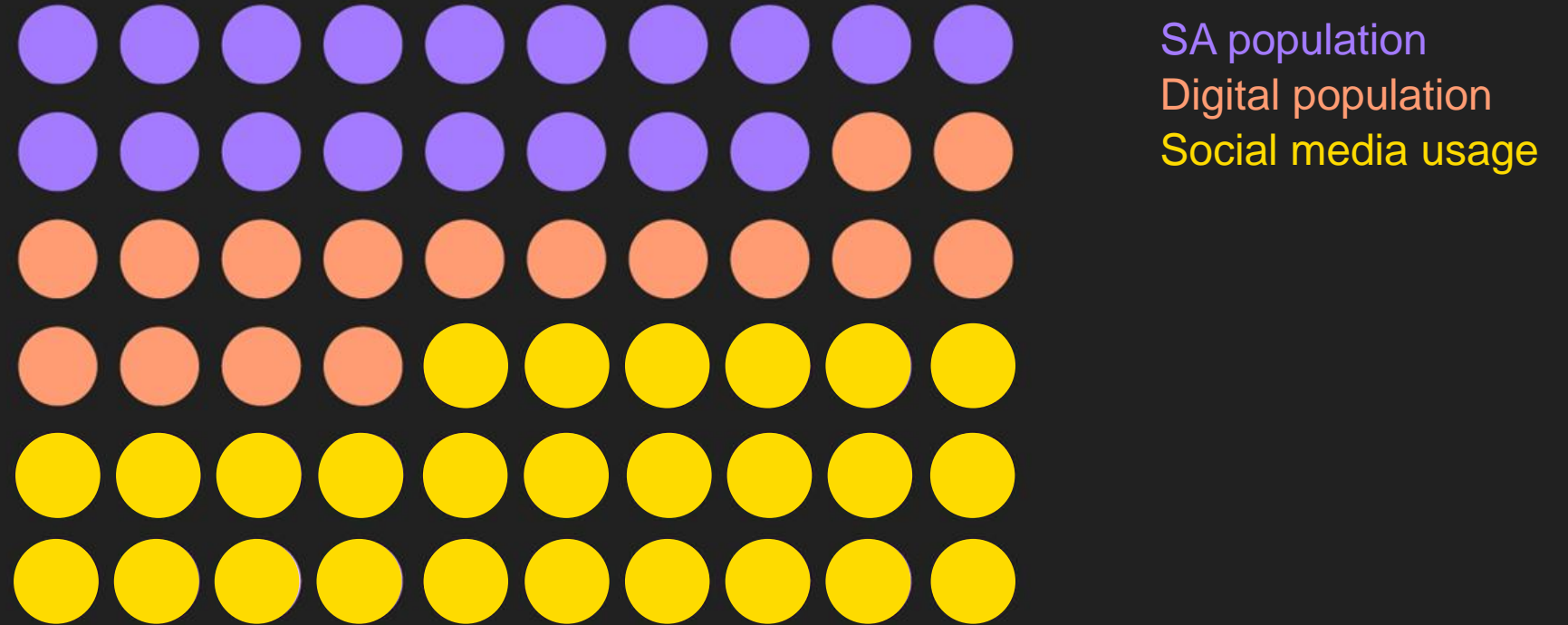
# Internet Penetration in South Africa

These dots represent the 42 million South African adults who are online



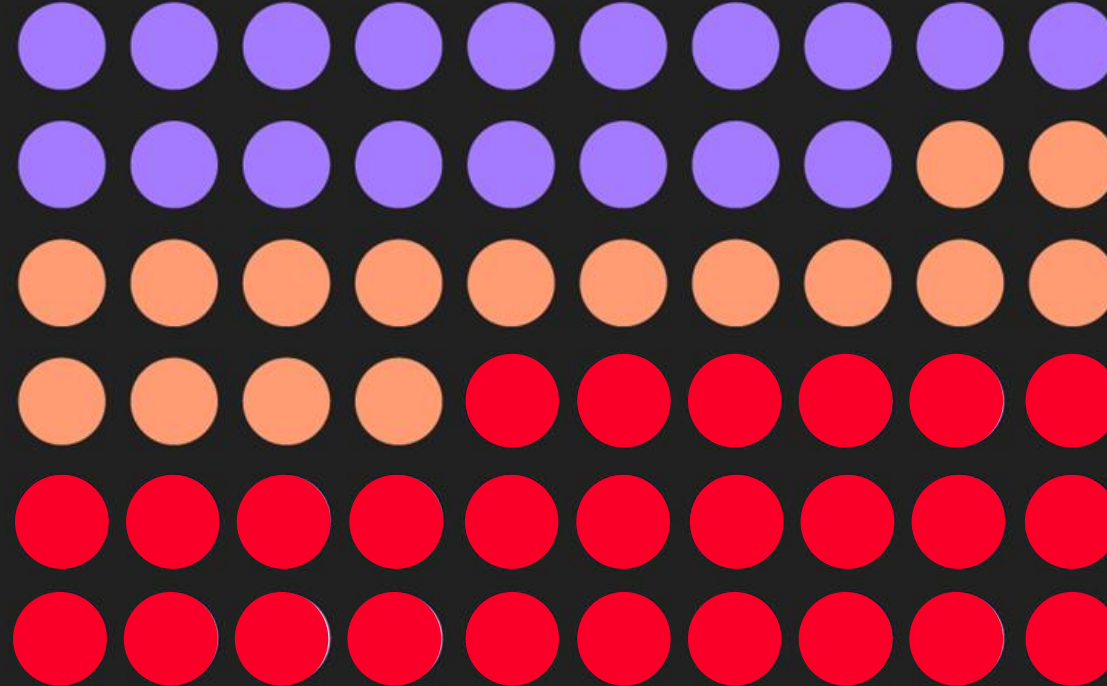
SA population  
Digital population

# South Africans on social media



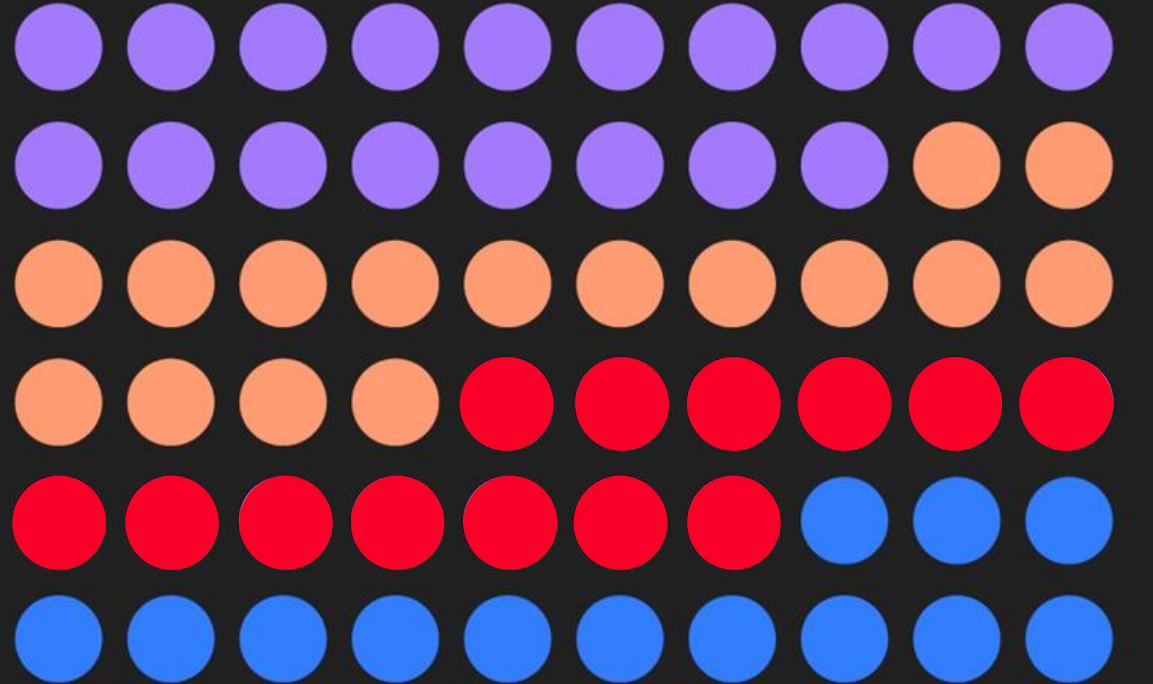
# South Africans on YouTube

Next, we have those on YouTube - 26 million South Africans!



SA population  
Digital population  
Social media usage  
YouTube reach

# SEM 8-10 on YouTube

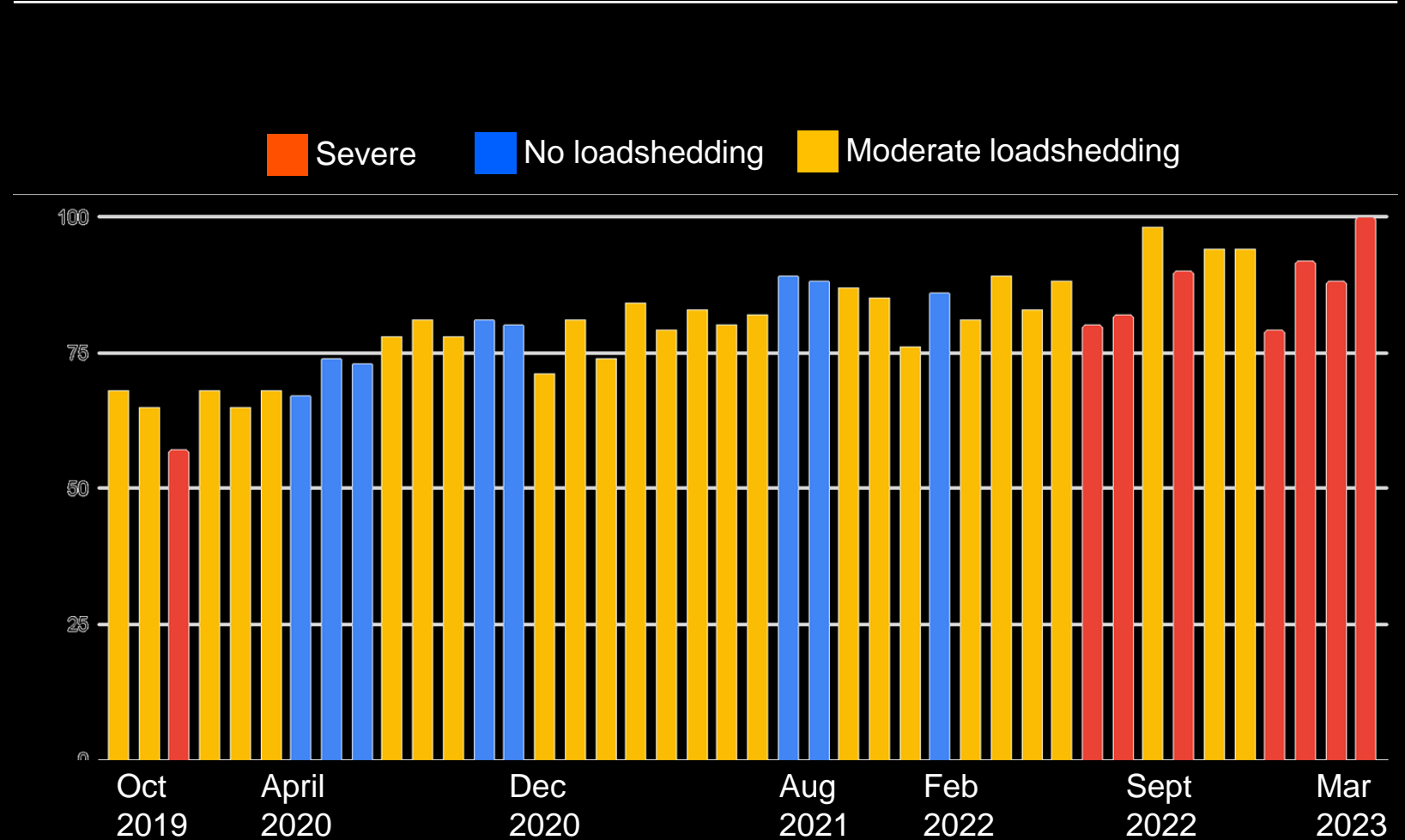


SA population  
Digital population  
YouTube reach  
SEM 8-10

# Another connected activity that continues to grow is search - both Google Search and YouTube search

South Africans remain curious in the dark

## Google Search volume and loadshedding schedules

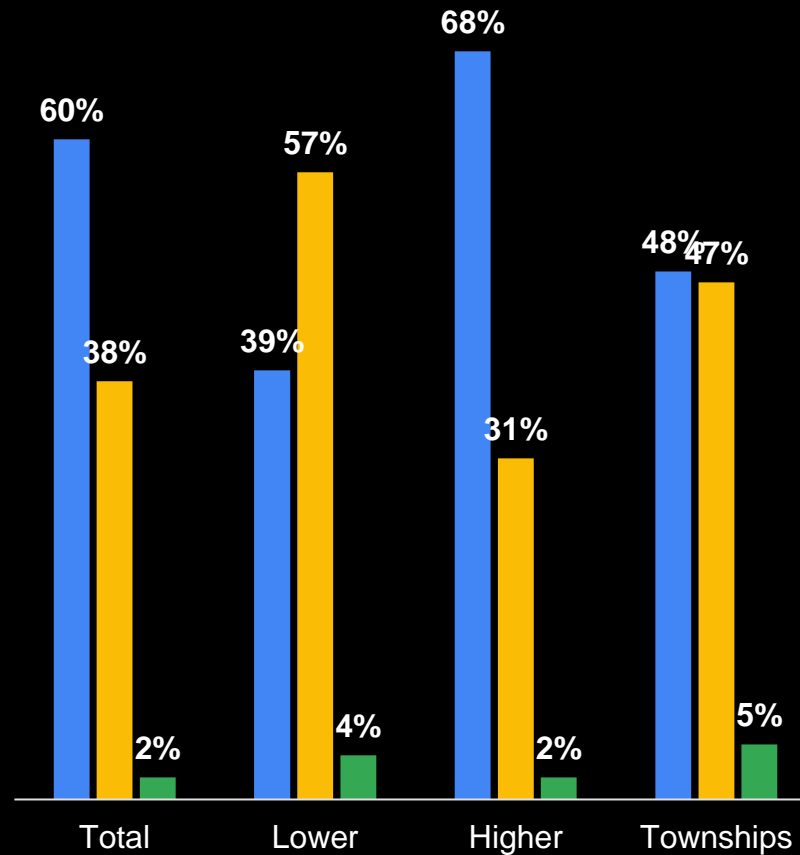


# South Africans access internet via both Wi-Fi and mobile data

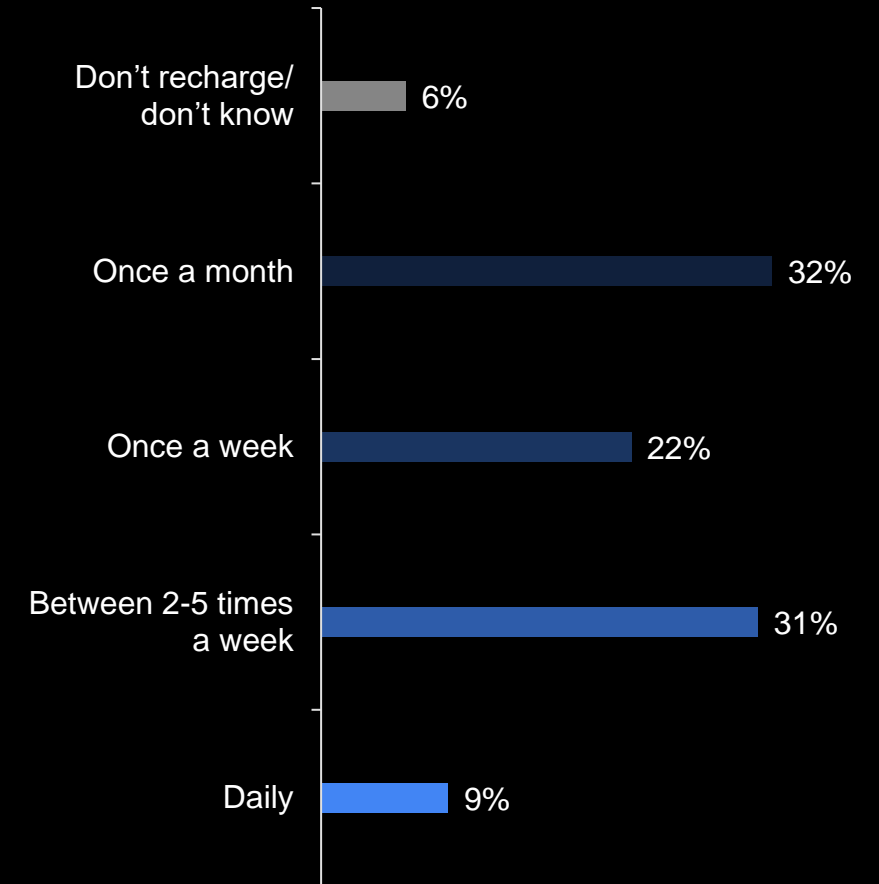
Lower income use data, higher use Wi-Fi and township are equally split. A third recharge monthly and another third multiple times a month

Internet from home using Wi-Fi or fibre  
 Internet using prepaid mobile data on device  
 Internet via free Wi-Fi zones

Which of these describes how you use the internet most of the time?



How frequently do you recharge data on your mobile?




A woman with dark, curly hair is wearing dark sunglasses and a white, textured knit sweater. She is looking slightly to the right of the camera with a neutral expression. Her arms are raised, and her hands are visible in the foreground, slightly out of focus, suggesting she is in a crowd or at a social gathering. The background is blurred, showing other people and what appears to be a red and white striped structure.

# What next?



# Data is your currency

South Africans are going to need  
more and more data as  
loadshedding continues



# YOUTUBE IS YOUR FREQUENCY BACK UP GENERATOR

Cross-platform media strategy is vital. YouTube, TikTok and LinkedIn are growing faster than they did in previous years, where TV and radio are more reliant on the lights being on.

# Consumers are doing their best to keep buying the brands they know and love

but they are increasingly forced to try cheaper alternatives

**Our objective is to ensure we are in the consideration set.**

We then either offer something different or offer pricing, and we allow consumers to make the trade off that is right for them.

As always, it's a balancing act.



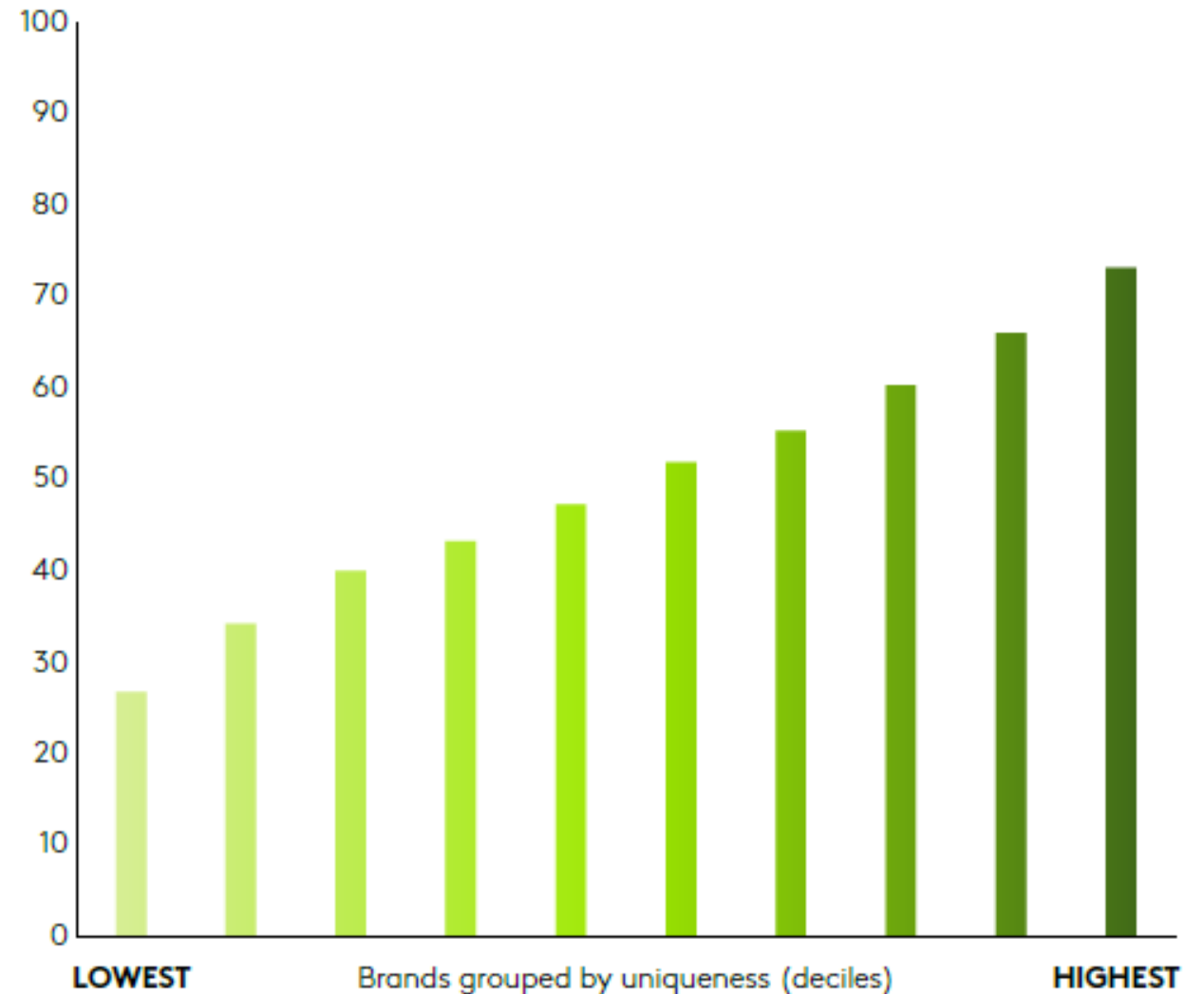
**If you are an established brand** with high trust credentials, you can afford a heavier weighting towards promotion vs brand. Talk to the risk in downtrading.

**If you are a newer brand,** your focus is on the creation of demand, not on being a cheap alternative. Weigh your investment towards brand building – focus on the right creative and the right innovation.

# The difference is **DIFFERENCE**

In high price sensitive times, a brand's first line of defence is its ability to justify its price so that demand doesn't decline at the same rate as price increases.

We do this by increasing perceptions of difference because difference is what makes a brand worth paying for.



# We can create difference in multiple ways

## Functional differentiation

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Futurelife partners with Hawuru to offer bran plus probiotic capsules for gut health.

Same price as the rest of the category so it makes sense to choose it because you get more.



## Experienced-based trust differentiation

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Having said that, some brands have an equity and trust that has been built over decades. There is high risk in switching to cheaper alternatives (even if they claim to be functionally different).



## Emotional differentiation

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Creating an emotional connection with consumers is a sure-fire way to guarantee loyalty. Adidas have a global running community which supports runners with programmes, a group of friends and nutritional advice. You try tell one of those runners to try a pair of Nike.



## Staying current, innovating against changing needs

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For example, what can you do to support your consumers as they continue to:

- Save and stretch the household budget
- Invest in their personal development
- Focus on nutrition, exercise yet are needing to eat more non perishables
- Use loyalty programmes to access benefits and be rewarded
- Supplement their income
- Spend on entertainment

# Difference should be based on an objective

And how we communicate that difference is crucial to building demand

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Consider communication and activations that speak to the pain point you are addressing with your offer

## Macro support

'Help me manage economic pressures like fuel hikes and the rising cost of living'

## Micro support

'Enable affordability – help me to keep using my trusted brands'

## Lifestyle support

'Help me to fulfil my wants, reward me with hedonistic, small luxuries'

# Some examples

## Macro support



**PRICE FREEZE**

**POTHOLE PATROL**

“The cost of living is now such an emergency we’re offering Iceland supermarket customers interest free micro loans”  
Richard Walker, Iceland Food, UK

## Micro support

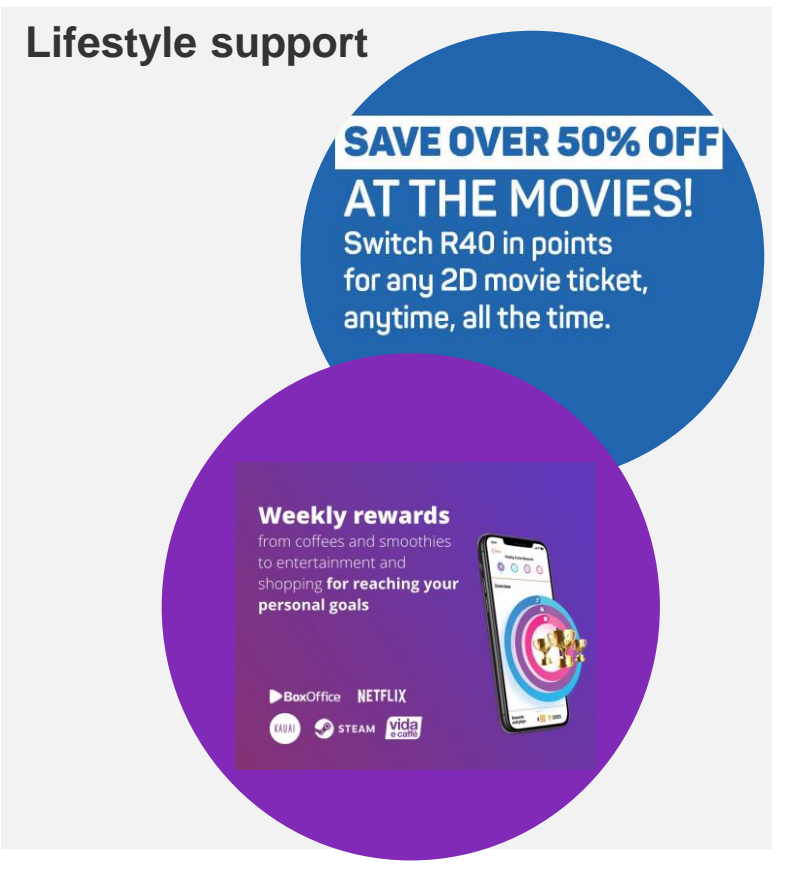


**ISUZU D-MAX**

**R30000 CASH BACK**

**30% OFF**

## Lifestyle support



**SAVE OVER 50% OFF AT THE MOVIES!**

Switch R40 in points for any 2D movie ticket, anytime, all the time.

**Weekly rewards**  
from coffees and smoothies to entertainment and shopping for reaching your personal goals

BoxOffice NETFLIX  
LEGO STEAM vidia e coffee

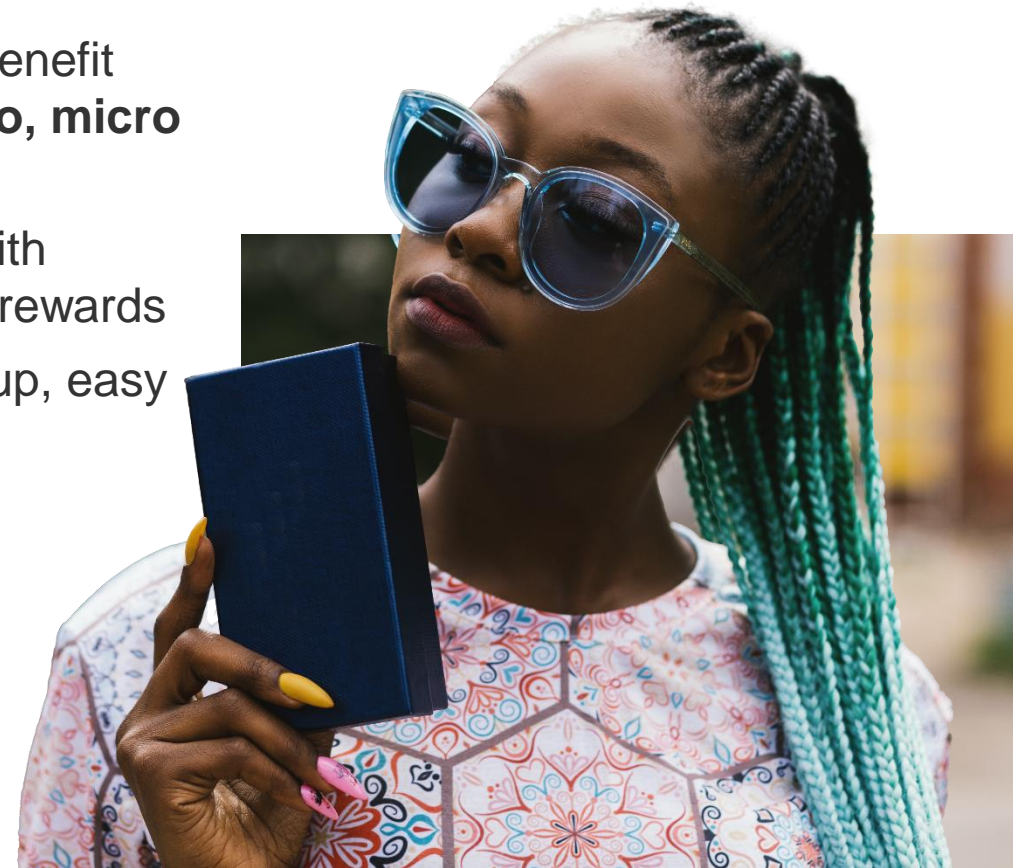
# Loyalty programmes build demand

Focus on how to use loyalty cards as a tool to drive increased engagement through the smart use of cash back, discounts, personalised offers and gamification.

Design a programme with a compelling proposition that encourages consumers to think of you first.

**Build salience and deliver difference in a way that is meaningful.**

- Consider the consumer benefit you are solving for: **macro, micro and lifestyle**
- Balance instant reward with building points for bigger rewards
- Simplicity – easy to sign up, easy to use







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**Questions?** Chat to Stacy Saggors, Commercial Growth Partner, Insights Division, Kantar

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