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Insight-driven Ideas

Mass Market Financial Behavours & Trends 2021

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Fusing Collaborative Insights

A TrendER Insights' trend report

Introduction

Our TrendER Insights' analysts are urbanites and culture curators capturing rare universal truths, observing trends and documenting culture, whilst creating playful moments with others all over the continent – at the very heart of your consumers and target market. We fuse influential consumer insights and research with unshakeable analytical thinking to produce powerful business intelligence and brand communication strategies.

We have adapted to bring one of the best digital data collection, analytics and insight data capturing partners as part of the TrendER partnership digital backend resource - Infoquest. With a 51% ownership of Inforquest we are able to bring modern technology, digital innovation, real time information systematic algorithm's to bring you you modern data as the world is right now.

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Mampara week!

Mampara is a South Africa slang word used to denote that someone is a buffoon or a simple nitwit.

It is a challenging process for the mass market to manage and stretch their salary to last them until they receive their next salary every month, because it is too little or they lack financial discipline. Enter mampara week the last week of the month, a week filled a lot of struggle financially. This is a week where one struggles to get petrol and taxi fare to commute to work, since one might have spent robustly in the first two weeks after they had received their salary.

Mampara week means one has to pack lunch and cannot afford to buy food from fast food restaurants anymore and has to have a survival mentality to get through the rest of the month.

This is seen when the fridge in the household starts showing signs of depleting. The bank balance becomes a sore sight and checking ones banking app only brings anxiety and unnecessary stress not to mention the overdraft facilities that look dyer.

Image: moneyweb

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Difference between "Mashonisas" & "Loansharks"

In Townships a "Mashonisa" is usually an individual that gives small loans to people in the community. They are not registered loan institutions which some may call loan sharks.

However not all "Mashonisas" are loan sharks as a they can also be referred to as someone in the community who has taken the liberty to loan out their personal saving in the hopes of adding interest to her clients. There is a close relationship between a "Mashonisa" and the community as this is usually the last resort people turn to when no one else is willing to issue a loan.

"Mashonisa" is the last resort when all else fails which makes repayment of "Mashonisa's" always paramount otherwise, there will be no other place to get a loan in future should one need financial assistance if they defaulted on their Mashonisa. The COVID pandemic has also had lots of individuals depending on "Mashonisa's" for their daily needs and have made them continue to play a supportive role for the unbanked and those that have been rejected by financial institutions. .

Image: moneyweb

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FOREX trading scams

Forex trading as well as investing has boomed in both popularity and take up within the mass market recently.

This raise is popularity owes its status to social media and how it has portrayed the lavish lifestyle which FOREX investors and traders lead.

The phenomenon has led to enormous crowd holding a herd mentality that speaks to investing their hard earned salaries and savings into these various FOREX trading schemes, to only find themselves shot in the foot and scammed through illegal Ponzi schemes - sugar coated as sound FOREX investment.

The reality is that many do not understand how FOREX trading and investment works, financial/business acumen is dearth, lack of information and education has led to many being victims of so called FOREX trading investment financial liberation.

Let's face in tough economic times people are inclined to forage for financial liberation and seeking opportunities to get high returns in a short space of time, which sometimes masquerades as too good to be true. Thus, Ponzi schemes like "FOREX trading" and other to mention a few (triple M scheme)we have witnessed such , they will unfortunately keep reinventing themselves and finding new names and areas to attract and scam the mass market.

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Social media: Post it even if it is not yours

Society has given us an unspoken barometer to measure success for example; lavish social lifestyle, designer bags, expensive alcohol and jewellery are some of the telling materialistic items among many other things which people post to portray a life of financial liberation and wealth. Whether financial liberation really reside in that kind of a lifestyle or not it would beg the question.

These social media posts act as a proof point (receipts) that someone has made it even though they may be faking it.

A recent example is Luxury fashion shops which charge people to do photoshoots in their store where people pretend to be purchasing or owning the products meanwhile it is all just a photoshoot to convince people that they indeed own the products. Some people are also selling just the packaging online so that one can buy and take pictures with the packaging.

Attaining luxury goods is one the ways in which people can show off their success in public without having to verbally say it. This ,however, has led to many misconceptions that people who haven't made it yet, seem like they are on top of the financial food chain when in fact they are not.

@Sakhilenavy21 said:

> *"I've heard about this, apparently you can also hire wigs, iPhones or champagne bottles to fill up the table when you're at the club even lavish houses to pose at for IG pictures"*

SA has reacted to the sale of lavish brand packaging purchases in the name of appearing rich. Images: @AmalaSilwana

Source: Twitter

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"Ingenile" – an expression used for a bank notification

"Patience is a virtue…" Ingenile is a Zulu word used to express if something have being processed or not(in this context of cause). The last two weeks of the month in South Africa are pumped with anxiety and adrenaline considering the mass market is is avidly awaiting their pay checks and some government social grants to fill up their cupboards.

However, this is not a rapid exercise, patience need to be applied and the question will then arise among cohorts in the mass market if "ingenile" so that one can continue with the business of life.

The livelihood of the mass market is centred really around that bank notification detail funds have been credited.

Speaking about disposable income to this marketing in such trying time would be far-fetched not to mention saving up money. In essence that specific bank notification means a lot, it translate to liberating from financial hand cuffs, it means access into the market. When asked the question of whether or not Ingenile, it come with a sense of adrenaline and euphoria should the answer be a yes.

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COVID: The emergence of micro-micro informal businesses

The COVID 19 Pandemic over the past year had had devastating effects on the the financial situations of many families and continues to ravish their livelihood. Salary cuts and job losses has meant that they had to default on monthly obligations such as homes and cars.

This in turn has put a financial strain on many individuals where even the basic of necessities are now considered as luxury. Job losses have led to some people turning to small income generating business ideas or activities such as catering and hand to mouth businesses. .

These businesses have become popular in the townships with people selling products to neighbours and friends in the community directly from their homes.

The old way of how space shops emerged with people having one room as a shop in the house are seeing a re emergence as people continue to do what ever it take to make a bit of money to keep them going.

Image: Getty images

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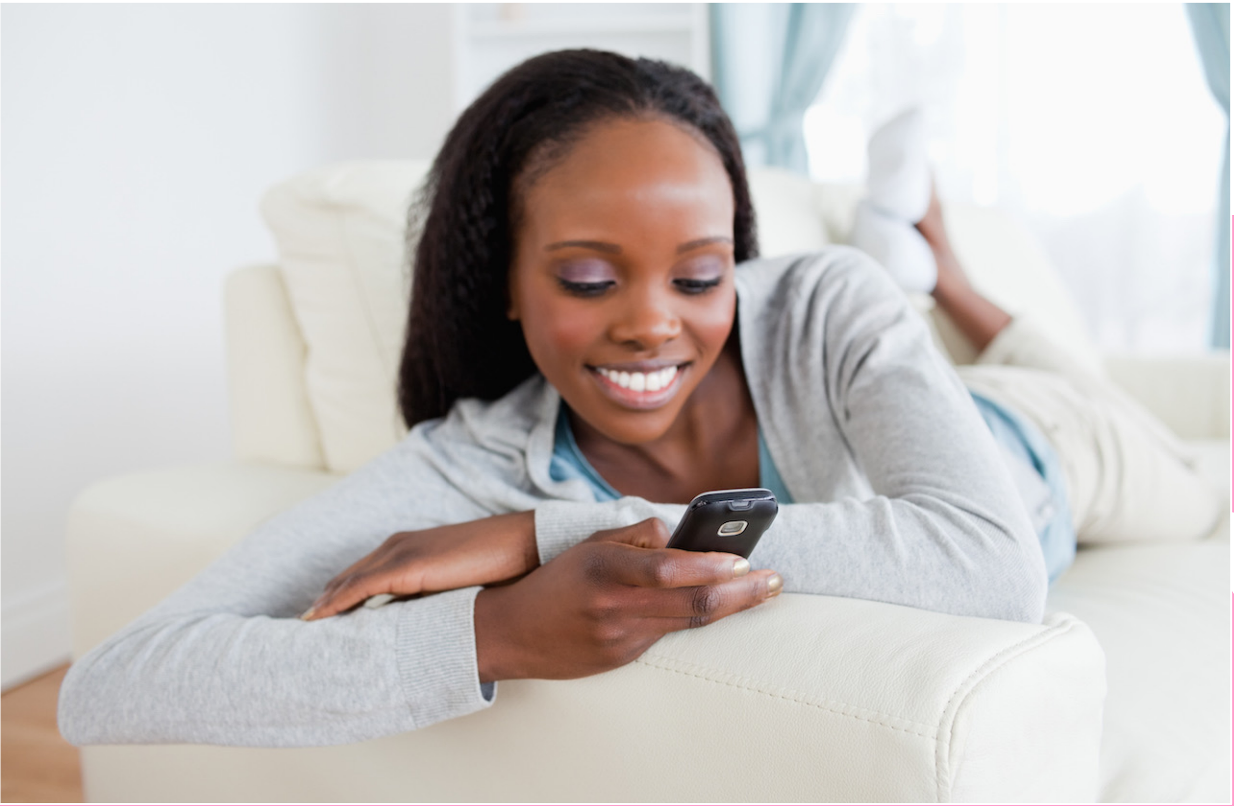
Why Stokvels still are relevant in this modern day?

A stokvel defined as a collective money saving initiative where members come together to save for a specific goal over a period of time has long been in South Africa's mass market communities as a way of helping one another financially. There has been many attempts to develop financial products aimed at Stokvels with the objective of financially formalising Stokvels.
The fundamental building blocks that make the essence of a stokvel is its ability to let members control themselves and their finances.

Stokvels are born out of mutual trust and respect that each member has for one another in which they would otherwise not get from any other financial intuition. Loan payments and savings is based on mutual trust and respect thus problems with payment are never a question. However that money is deposited as a savings account rather than an investment account.

An opportunity for formal financial institutions lies in the ability to be able to grow the Stokvel's money over time as an investment rather than Stokvels seeing this as only a savings initiative.



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CASH money wallet send

Borrowing and sending money to family and friends is now an even more common practice within the mass market as the Pandemic continues to leave more and more financial burdens on individuals and families.

This means that people don't even "qualify" any more (The process of a loan application and waiting to find out if the financial approval is a success or not).

Which means that if the financial institution will not loan them money, they now have to turn to families and friends for the small financial assistance and borrow small amounts of money e.g. R300 just to get by the week.

This has seen more and more people sending these small amount of cash through money sending platforms which are now widely available through most retailers as well and no longer just through financial institutions.

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Health & Funeral cover

Insurance especially funeral cover is widely accepted with many mass market older generation having stokvels and burial societies for funeral cover. Shared burial societies have always been an important part of collective savings in the mass market and now due to the COVID 19 pandemic we see an eve more push and interest towards these products and services. Big churches such as the ZCC have also formalised their insurance and funeral services to include most of the churches unbanked populations as an opportunity to be included in the financial system.

An opportunity not only lies through informal savings but these group societies are also approaching banks and financial services where they can save their money securely in an account and withdraw when needed. An opportunity in which brands can be able to tailor make these products for the mass market needs as the need for health insurance has been brought to the front by the Pandemic.

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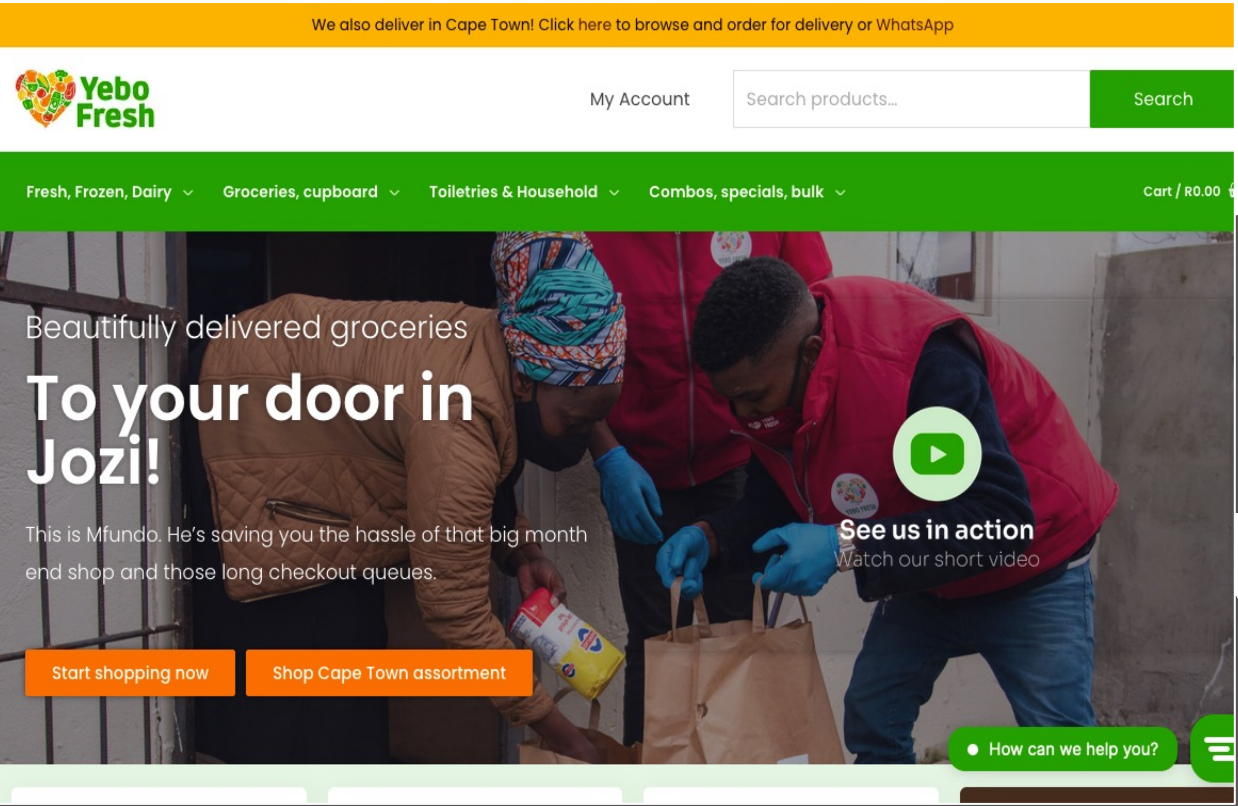
Insurance: Salary cover - From grudge purchase to necessity

There are insurance products that people sometimes overlook or do not see the value of and consider them as a grudge purchase. Looking at history there is no where over the centuries ,in such a short period of time has the mass market lost their jobs all at once. Schemes such as the UIF have witnessed a surge in claims as people continued to lose their jobs.

The need and role of salary protection insurance has seen its relevant ever so much more over the last year. For some it came as too late and jobs lost without having cover, however these products which are seen as grudge purchases are now viewed through a different lens by consumers and their value now provide meaning in peoples lives.

Image: www.yebofresh.co.za



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E-commerce now available in the township

In South Africa's townships, customers often have to travel long distances to larger shopping centres to do their shopping. The trip costs them money and it is a huge hassle to get the purchases back home.

Delivery services often do not reach or cater for the township market. This is changing as new businesses such as Yebofresh.co.za are coming with new innovations to cater to the township market.

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