

# Mzansi's financial savviness surges: Banks must adapt to the shift in customer psychographics

Banks play an important role in most people's lives, matching up creditors and borrowers, enabling domestic and international payments systems and, ultimately, making financial inclusion a reality.

 By [Sarina de Beer](#), issued by [Ask Afrika](#) 7 Aug 2023



However, according to Ask Afrika's proprietary Target Group Index (TGI) study, there has been a steady annual decline in the number of people that believe the products offered by their bank meets their financial needs. In 2019, 24% of respondents said their bank provided them with access to products that met their financial needs. This figure declined to 23% in 2020, 19% in 2021 and 17% in 2022, indicating a perceptual disconnect in the products offered by banks and the needs of their customers.

Encouragingly, people have become more trusting of their bank with trust levels improving from 22% in 2019 and 2020 to 32% in 2023. The study also revealed that 23% of respondents believe their bank offers credit responsibly, compared to 16% in 2021 while 22% believe they get value for money from their bank based on the service fees they pay, up from 16% in 2020 and 19% in 2021.

When it comes to debt and credit, there is a growing sentiment that it is better to pay cash as opposed to incurring debt with 35% of respondents revealing that they don't like the idea of being in debt. Close to a third of consumers (31%) said that if there is something they want, they save up for it. In 2019, only 25% of consumers were averse to the idea of debt and only 23% saved for something they wanted. A growing proportion of respondents prefer to pay cash for everything they buy (29%) compared to 24% in 2019.

At the same time, however, there is an increase in those relying on credit cards to purchase desired items that are usually beyond their means, up from 17% in 2019 and 2020 to 22% in 2022. Surprisingly, the study also revealed an increase in the number of people who spend money carelessly, up from 13% in 2019 to 18% in 2022.

Increased financial knowledge and confidence is accompanied by more people seeing the benefits of being insured which has increased from 21% in 2019 to 30% in 2022. More people believe they are good at managing money (up from 21% in 2019 to 31% in 2022) and are more aware of personal finance than they used to be (up from 20% in 2019 to 30% in 2022). Close to a third (31%) of respondents said they believe it is important to have a budget in place or some kind of financial plan.

Efforts by financial institutions to increase the levels of financial literacy amongst citizens appears to be paying off. A total of 36% of respondents said they are careful with money (up from 22% in 2020) and more people than ever are looking for

profitable investments (34% up from 17% in 2020) and are trying to save for retirement (34% up from 23% in 2019 and 2020). There has also been increased interest in financial services advertising and consulting a professional financial advisor for sound advice.

The study reveals that financial needs differ from year-to-year. In 2022, disability cover, education policies credit life products and endowment policies lost ownership while savings and investments, tax free savings products and severe illness and dread disease cover grew as more individuals recognised the need to provide for tough times. Life cover with medical testing has declined in popularity the last three years with a shift toward policies that don't require medical testing. Although retirement annuities were popular during the pandemic years, in 2022 they fell below pre-pandemic levels, indicating declining interest.

The factors influencing consumers to take out a new insurance or financial product include affordability, those that meet the needs of consumers and the influence of brand. Word of mouth recommendations remain important. Advertising, however, has seen a significant decline in influence from 44% in 2019 to 22% in 2022.

What these results indicate is that financial institutions need to relook the products and services they offer customers to ensure they meet their financial needs and add value to their lives.

Ask Afrika's TGI study is the largest single source consumer trend tracking data in South Africa. The research complements local and global measurement currencies, offering the most comprehensive insights into consumer demographics, behaviour and product and brand usage, with rich attitudinal statements.

For more information on Ask Afrika's TGI study and how it can help your brand, contact Maria Petousis at [Maria@askafrika.co.za](mailto:Maria@askafrika.co.za) or Vikash Bash at [Vikash@askafrika.co.za](mailto:Vikash@askafrika.co.za).

## About Ask Afrika

Ask Afrika is a full-service market research company with a B-BBEE level 3 rating. Since 1995 it has been partnering with clients in the retail, telecoms, financial services, automotive, media and public sectors to provide customised research. A specialist in customised customer service research across Africa, the firm boasts extensive proprietary benchmarks and is a preferred partner for both government and NGOs requiring proactive social research.

Ask Afrika's knowledge of brands is extensive. Its proprietary Target Group Index (TGI) is already used by the majority of top 50 advertisers and media owners in South Africa. TGI complements local and global measurement currencies, and offers the most comprehensive insights into consumer demographics, behaviour, and product and brand usage, with rich attitudinal statements.

Its exclusive product suite includes the Ask Afrika Orange Index®, the Target Group Index (TGI), Ask Afrika Icon Brands™ and Ask Afrika Kasi Star Brands. [www.askafrika.co.za](http://www.askafrika.co.za)

## ABOUT SARINA DE BEER

Sarina de Beer is Managing Director at Ask Afrika. She is steeped in the Ask Afrika tradition of strong academic grounding. She has two Masters degrees, in Psychology, and in Research Psychology, having started her career as a lecturer at the University of Pretoria. Here her driving ambition was born to become a respected researcher. This drive flourished at Ask Afrika where she managed to create a synergy between business consulting and research.

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