

Spending habits of SA's taxi commuters unpacked

Food is the biggest monthly expense for the majority of South Africa's taxi commuters, but despite high levels of unemployment, many are still able to make ends meet, either through a side hustle, a Sassa grant or through family support.



Commuters at a taxi station in Thohoyandou. Source: [Suckrame, CC BY-SA 4.0](#), via Wikimedia Commons

This is among the insights from the latest Kasi411 taxi commuter data (March 2023), generated through a partnership between market research agency, Red Fox Insight, and Sebenza, a new digital platform that offers free Wi-Fi on over 2,000 South African taxis and busses nationwide.

As the cost-of-living increases – with food inflation hitting a 14-year high in March of 14.4% – the impact of basic goods and necessary items is putting pressure on consumers' pockets. So, it comes as no surprise that the Kasi411 data showed that food is the biggest monthly expense for almost half of 698 taxi commuters who were surveyed. Despite this, 42% said they still enjoy smaller luxuries, like purchasing games for their phones.

Gift buying was down this past festive season (more than half of a sample of 668 taxi commuters), with Shoprite coming out top for those who did opt to participate in the spirit of giving (46%).

Gaining access to these kinds of insights from this market has historically proven difficult and costly for marketers and brands. The partnership between Red Fox Insight and Sebenza makes this possible by leveraging taxi Wi-Fi hotspots offered free to commuters in exchange for them participating in surveys, watching TV and interacting with games and content.



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In the last year, Sebenza has had over 1 million users and over 5,000 survey questions answered daily via the Wi-Fi hotspots in thousands of taxis across the country.

According to Santaco, which is currently the principal representative body of the taxi Industry in South Africa, taxis currently carry 65% of the 2.5 billion annual passenger trips in the urban environment and serve as the base-load public transport carrier. This is a huge segment of the market that should not be overlooked," say Red Fox Insight and Sebenza.

Banking, electronics and unemployment

Further notable insights from the Kasi411 taxi commuter data (March 2023) were that 32% of 544 taxi commuters surveyed do not have a bank account and for most of those (71%), the reason was simply that they don't want one, due to factors like high bank fees. Of another group surveyed, 57% had purchased a new phone in the past year and 27% had purchased a TV.

There was also a strong correlation found between Stats SA data and the Kasi411 taxi commuter data (March 2023). For example, feedback from surveys across a sample of 28,833 taxi commuters, ages 18+ and currently available to work, showed a 31.3% unemployment rate - with Stats SA Q4:2022 putting South Africa's unemployment rate of 32.7%.

While consumers are likely to become more discerning about where they spend their hard-earned money in response to rising costs, Red Fox Insight and Sebenza state that there is an opportunity for companies in the essential goods sector - such as FMCG, food stuffs, cosmetics, alcohol, the banking sector and retailers - to meet the customer where they are through deeper understanding. "Accurate insights is an effective way to achieve this," they state.



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The Kasi411 data demonstrates how new advancements in technology are bridging the digital divide and providing easier access to these consumers, as well as fast and cost-effective insights directly from this audience. With all the challenges currently faced by South African companies in reaching, and retaining customers, understanding their audience through market insights and reliable data has become increasingly important.

"South African marketers are familiar with how challenging it can be to reach these consumers," says Marilu Smit, cofounder and quantitative director at Red Fox Insight. "To both speak to this audience in a language they understand and in a way to which they will respond, is often easier said than done. This is where we come in, with our exciting new partnership with Sebenza."

"The taxi commuter market remains a significant segment of South Africa's thriving township population and despite unemployment and financial difficulties, the sheer size of this market means that these consumers have substantial purchasing power."

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