

The rise of stokvels

From informal savings to a powerful consumer base

Once viewed purely as informal savings clubs, stokvels have become a formidable consumer segment with substantial collective buying power.

According to a 2024 Ipsos market study, the stokvel sector contributes over R50 billion annually and comprises more than 800 000 groups, with a combined membership of 11 million people. These members pool their resources for everything from groceries and appliances to big-ticket items like motor vehicles, presenting the retail sector with a unique opportunity to rethink how it engages with this highly organised and motivated customer base.

The study also highlights how stokvels have evolved beyond what many still see as simple savings schemes. Once the domain of older generations, they increasingly attract younger members and individuals from higher income brackets.



Busi Skenjana

Busi Skenjana, Founder of the Stokvel Academy and author of *Stokvel Voices: The Truth, Illusions, and Opportunities*, says that stokvels are no longer where the gogos and aunties save – they’ve become sophisticated financial networks



Stokvels are built on trust between community members and like-minded individuals. In that way there is always accountability. Each stokvel has its own constitution, with decisions made collectively by members – like how the money will be collected, who is in charge of collecting it and where and when it will be invested. Each stokvel member has an equal voice. Discussions around any concerns or grievances are open and transparent. Accountability when joining a stokvel is key, leading to a culture of open communication. There are many different stokvels but, depending on the size, the gathering is most often an opportunity to build bonds and friendships within the community. After all, you’re less likely to be fleeced by a friend! www.sapeople.com

attracting younger professionals and higher-income earners who recognise the power of collective buying and saving.

“The stokvel culture is still very much alive, but it’s evolving,” says Skenjana. “There’s the ‘then’, the ‘now’ and a glimpse into the future. While some aspects remain the same, exciting new developments are taking shape.”

At its core, she says, stokvels remain rooted in social cohesion – ubuntu – helping one another,

especially in times of need. “That’s why burial stokvels remain the most common. They offer vital support during times of loss. Grocery stokvels are widespread, particularly in rural South Africa, where mothers continue to find creative ways to provide for their families’ basic needs.”

“Stokvels are not static,” she emphasises. “There’s a growing shift toward understanding what stokvels can do for you. The younger generation, in particular, is exploring new ways to use

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these platforms to build wealth and pursue opportunities.”

Her sentiments are echoed by FNB, which has found that stokvel savings continue to grow despite South Africa’s challenging economic climate. In 2024, the bank recorded a 15% increase in net deposits, underscoring the sector’s resilience and commitment. FNB alone saw total member contributions exceed R9.6 billion for the year.

According to Skenjana, stokvels are, for the most part, a mixed bag of the old and the new. While traditional models remain firmly in place, particularly grocery stokvels, which still make up a significant portion, a noticeable shift has occurred.

“Grocery stokvels are still very popular, especially among women who use them to ensure their families have enough food during the festive season or to stock up in bulk and save throughout the year,” she says.

At the same time, the younger generation is showing growing interest in stokvels that focus on long-term investments, wealth creation and financial growth opportunities beyond basic needs.



ZIWAWA STOKVEL NIGHT
South African Zulu music evening with Lion King cast members, singers & musicians performing at The Africa Centre, London 29 November 2002. With Siso from Umlazi Township, Durban and Andile from Durban in black leather top. www.flickr.com/photos/

product availability. Service matters too – stokvels value easy payment options, convenient collection or delivery and a seamless shopping experience.”

It is all about adding value, says Skenjana.

Change creates new opportunities



Lehlohonolo Ndawo

Lehlohonolo Ndawo, Co-founder and Chief Executive Officer at the Digital Stokvel Platform (DSP), says the change was inevitable. “Digital platforms now enable stokvels to manage funds securely, access a wider range of financial products and make bulk purchases more efficiently,” she says. “Stokvels drive significant group spending in retail, particularly in groceries, furniture and household essentials. Retailers that recognise their influence can tap into a highly loyal and structured customer base.”

She says that stokvel members prioritise affordability, bulk discounts and quality products. “They plan their purchases in advance, seeking retailers that offer tailored deals, special pricing and reliable

“Retailers who go the extra mile – offering incentives like bonus vouchers, loyalty rewards or even financial education – stand a better chance of winning stokvel business. These groups are organised, intentional and loyal. If you speak to their needs, they’ll keep coming back.”

According to Skenjana, new bulk-buying categories are emerging within the stokvel space. In addition to traditional goods like groceries, there’s an increasing demand for household items such as blankets, catering equipment, and even larger appliances. “As stokvels evolve, members are expanding their focus to include more diverse product categories that cater to both everyday needs and special events, like bulk purchases for family gatherings, community celebrations, or even small business ventures,” she says.

Unlike individual bulk buyers, stokvels operate as organised, repeat-purchase customers. Their



Serves: 6
Preparation time: 135 minutes
Cooking time: 35 minutes

INGREDIENTS

Chilli chicken:

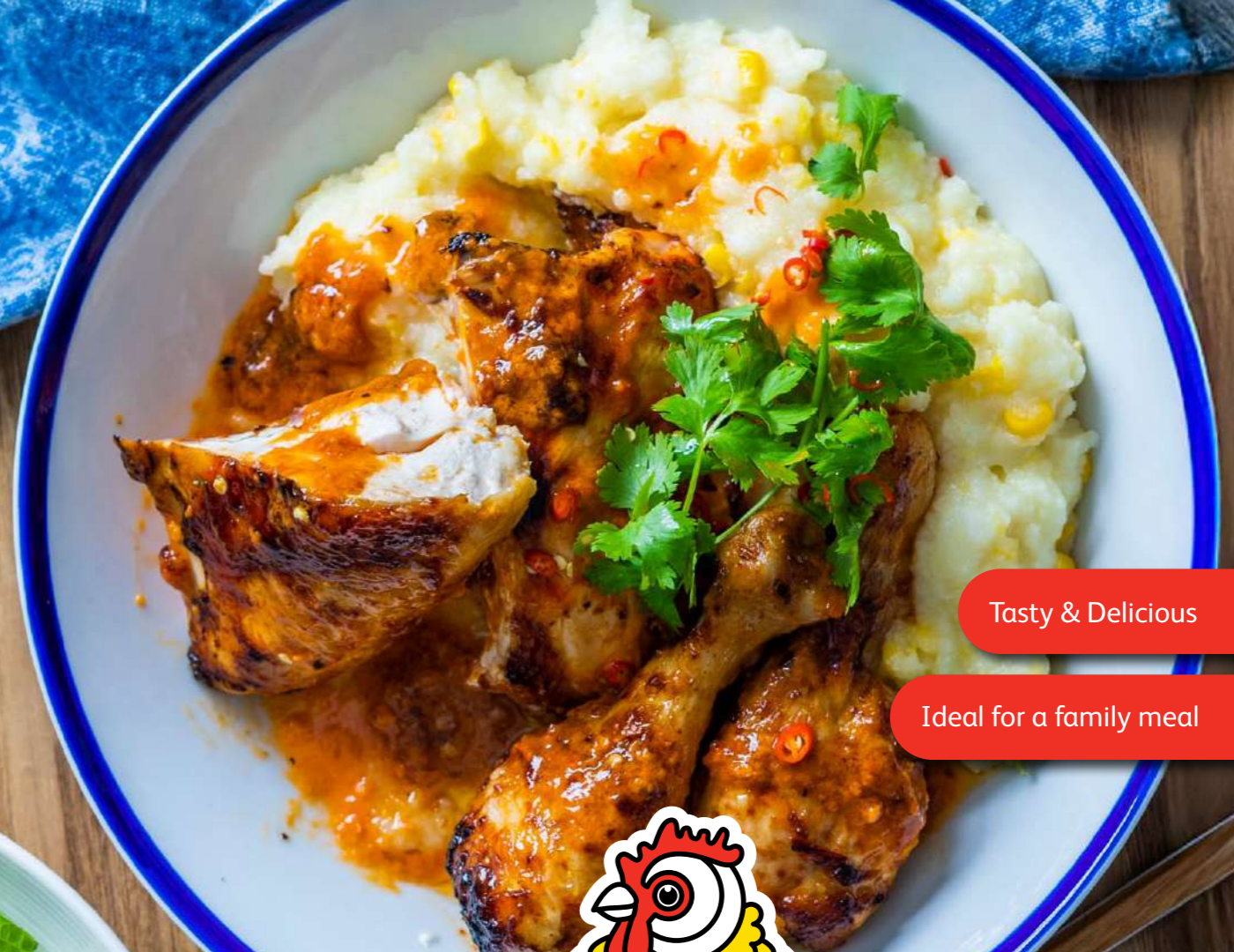
1 red pepper, chopped
3 garlic cloves, sliced
3 tomatoes, chopped
8 red chillies, chopped
¼ cup canola oil
1 tbsv vinegar
1 tsp paprika
1 kg chicken pieces
salt and pepper



INGREDIENTS

Corn pap:

4 cups water
1 tsp salt
2 tbsv margarine
2 cups maize meal
400g creamed corn



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Method:

Mix the red pepper, garlic, tomatoes, red chillies, oil, vinegar, salt, pepper and paprika. Blend in a processor until smooth. - Place chicken in a bowl and cover with the vegetable mixture. Marinade for 2 hours.

For the pap:

Bring the water and salt to the boil. Add the margarine and maize meal. Stir through until smooth and cover with a lid. Reduce the heat and simmer for 35 minutes.

Finish off by stirring in the creamed corn.

For the chicken:

Place a hot griddle pan over high heat. - Remove the chicken from the marinade and place in a hot griddle pan. Cook, turning every 10 minutes or until charred. Pour over the remaining marinade. Simmer for 15 minutes or until chicken through.

Serve the chicken with the corn pap and garnish with fresh coriander.



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pooled funds give them greater purchasing power, making them an attractive proposition for retailers. Because they shop collectively, stokvels are highly brand-loyal – once they find a retailer that meets their needs, they return regularly.



Great customer service also goes a long way in building lasting relationships.

Money saved in a stokvel account often benefits from better interest rates and lower fees than you would pay if you put your money in a regular account.
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Catering to the evolving needs of stokvels

Ndawo says that retailers can create value by offering stokvel-friendly bulk packages that include essential items at competitive prices. Providing pre-packaged hampers, customisable bulk-buy options and exclusive stokvel pricing are effective strategies to meet the needs of this market. Additionally, forming partnerships with digital stokvel platforms like DSP allows retailers to engage directly with stokvel groups, streamlining the process and building stronger relationships.

Skenjana emphasises the critical importance of building strong relationships with stokvel groups. “Retailers need to focus on establishing trust and rapport with stokvel members. It’s about more than

just transactions; it’s about understanding their needs, values and aspirations,” she says.

“By fostering these relationships, retailers can gain valuable insights that enable them to offer tailored products, services and experiences that resonate with stokvel members, ensuring long-term loyalty and engagement.”

She adds that offering low prices, particularly essential staple products, is key to attracting stokvel members.

“Great customer service also goes a long way in building lasting relationships,” she says. When retailers offer excellent service, it creates trust and loyalty, making stokvel members feel valued and

understood. This is crucial for maintaining long-term connections.”

Other ways of offering incentives to the stokvel sector are through discounted bulk pricing, buy-one-get-one-free (BOGO) deals or even cashback rewards. “These are all effective strategies for attracting stokvels. Loyalty programmes that recognise group purchases and exclusive stokvel shopping days also play a key role in drawing in and retaining stokvel shoppers,” says Ndawo.

When asked about the best pricing strategies for catering to stokvels, Ndawo highlights the appeal of volume-based discounts and tiered pricing models. “Stokvels respond well to bigger savings for larger purchases. Retailers should also focus on offering transparent pricing with no hidden costs,” she says. “Ensuring consistent stock availability and maintaining clear, upfront pricing are essential to building trust and ensuring long-term loyalty among stokvel members.”

She says many stokvels still prefer in-store purchases, especially for bulk shopping, but online orders are gaining popularity due to convenience. “A hybrid approach – where stokvels can order online and collect in-store or arrange for delivery – is probably one of the most effective ways to cater to their needs.”

According to Skenjana, retailers now have a unique opportunity to educate stokvels about the benefits of online shopping, especially for specific product categories. “Many stokvels are familiar – and still prefer – in-store shopping, but online platforms offer convenience and access to better



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deals, especially on bulk purchases,” she says, highlighting that retailers can play an essential role in guiding stokvel members through the process of online shopping, showing them how to navigate e-commerce platforms to take advantage of online discounts. This opens new shopping avenues for stokvels and strengthens retailers’ connections with this customer base.

Delivering ease of business

Skenjana and Ndawo concur that retailers should offer flexible payment solutions, including lay-by options, group payment portals and digital wallets. With many stokvels increasingly relying on digital platforms like DSP Wallet to manage their funds, integrating digital payment options with stokvel-friendly terms can significantly enhance accessibility and convenience.

“Retailers should also allow stokvels to transfer their saved funds directly into the retailer’s bank account as close as possible to the bulk purchase collection day,” suggests Skenjana. “By arranging seamless payment processes with stokvels’ banks, retailers can ensure a smooth transaction experience, making it easier for stokvels to access the products they need without any financial hurdles.”

In-store, dedicated stokvel service desks, priority checkout lanes and reserved bulk collection areas can further streamline the experience. Online retailers should offer easy bulk-ordering tools, stokvel-specific product bundles and reliable delivery or pick-up options.



Loyalty programmes that recognise group purchases and exclusive stokvel shopping days also play a key role in drawing in and retaining stokvel shoppers.

Make a day of it

A growing concept is stokvel shopping days. This unique opportunity will benefit the retail sector and stokvels across the board. Ndawo says ...

“Days, where groups can access exclusive discounts, product previews and special deals, are a great way to engage stokvel members. Retailers can also host stokvel workshops to showcase products and build relationships with these high-spending groups.”

She says promotions, loyalty programmes and exclusive deals play a massive role in this sector, as stokvels are motivated by value. “Retailers that offer group-based rewards, stock-up deals and long-term savings incentives will attract and retain stokvel business. Exclusive deals make members feel valued and encourage repeat purchases.”

Skenjana emphasises ...

“Treat stokvels with the respect they deserve. Offer high-quality products and avoid offloading near-expiry items onto grocery stokvels. It’s crucial to build trust and maintain the integrity of the relationship by providing value that reflects the quality and care they expect.”

Ultimately, they say it is all about consistency, transparency, and engagement. Retailers should ensure fair pricing, reliable stock, and clear communication. Furthermore, partnering with Stokvel leaders, offering dedicated Stokvel customer service, and supporting community initiatives also help build lasting trust.





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Looking ahead

Retailers should stay vigilant to emerging trends within the stokvel space to serve this dynamic customer base better, says Ndawo.

“One key development is the rise of digital stokvel platforms, which enable seamless and secure transactions, making it easier for members to manage their funds. Additionally, there is a growing demand for bulk-order convenience and reliable delivery services, as stokvels continue to make larger, more frequent purchases.”

She says as stokvels evolve, many expand beyond traditional savings into investment and wealth-building opportunities, creating new avenues for retailers to engage. “Personalised shopping experiences, driven by data and AI, are also becoming more prevalent, allowing retailers to tailor their offerings to stokvel members’ specific needs and preferences. By staying ahead of these trends, retailers can position themselves as stokvel-friendly destinations.” **SR**

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