The Many Faces of Township Traditional Trade:
A qualitative approach for understanding the form and nature of township outlets so as to develop a framework for classifying them

Jack Hlongwane

The word traditional trade is the collective representation of small, simple outlets that can take up the form of a garage, or a front section of a person’s home, a shipping container, it also includes roadside vendors and food stalls on streets and for this reason falls into the ambit of informal trading. Traditional trade requires the presence of the customer in the shop and the display of all items on sale whereas in modern trade self-service is the main feature. The focus of this research paper is to provide trade marketers with a framework or a tool that they can use to identify the different types of traditional trade outlets that exist in the township so that they are able to optimise their distribution efforts, develop relevant point of sale marketing strategies, size and quantify these outlets.
1. Introduction

The word traditional trade is the collective representation of small, simple outlets that can take up the form of a garage, or a front section of a person’s home, a shipping container, it also includes roadside vendors and food stalls on streets and for this reason falls into the ambit of informal trading.

Traditional trade requires the presence of the customer in the shop and the display of all items on sale where as in modern trade self-service is the main feature.

Informal Trading has always been a part of South Africa’s economy, 30% of which occurs in Gauteng. With an unemployment rate of 25.2%, Informal Trade is, for many South Africans, the “alternative to unemployment”. With this in mind, Informal Traders should, according to the South African Local Government Association (SALGA), be viewed as an “important part of government’s strategies to address unemployment, support livelihood creation and reduce vulnerability” says Amy Meyer, researcher at Helen Suzman Foundation.

The retail environment in emerging markets is highly dynamic and is in constant flux in order to adapt to changing macro and micro economic and socio-political realities. South Africa is no exception.

According to Nielsen SA (January 2016) traditional trade outlets have increased from 31 000 to 134 000 outlets in the past 20 years, this is a growth of over 400% - disproving the hypothesis that South Africa’s traditional trade sector is shrinking with the increasing pressure from modern trade outlets as they increase their presence in townships. Nielsen SA has further estimated that sales through the 134 000 traditional trade outlets currently amount to R46 billion per annum. An opportunity that cannot be ignored.

Instead of shrinking and disappearing amidst external and internal pressures, traditional trade outlets have simply adapted to their external environment. The question that needs to be answered is; what shape and form are they taking and what are the contributing factors to this evolution?

The face of townships around South Africa has changed drastically since 1994. With the rising middle class the rate of urbanisation has increased. People have improved on their existing homes and new townships have emerged as a result of the GAP Housing program, which seeks to address the housing aspirations of people such as nurses, firefighters, teachers and members of the armed forces, who earn between R3 000 and R15 000 per month and therefore do not qualify for RDP houses and do not earn enough to obtain home loans.

Foreign owned outlets have changed the manner of sourcing goods. Instead of operating individually, they operate within a network allowing them to stock in bulk and pass on the discount onto the consumer, allowing traditional trade to stay relevant to the shopper who has a low daily disposable income.

The introduction of lower denominations of airtime resulted in the disappearance of public phone containers but penetration of smart phones, coupled with the emergence of social media has increased the need for data and as a result the frequency of non-grocery mission trips has increased to traditional trade outlets.

The growth of services such as DSTV has resulted in the emergence of sophisticated pay point technologies in traditional trade outlets, these technologies also allow people to play the lottery, giving people yet another reason for that non grocery trip to the outlets.
These external factors, coupled with internal factors such as the ability to purchase and transport stock, familiarity of shopper needs, size of the shop all contribute to what form the outlet takes, where it is located and its growth potential.

Traditional trade outlets are not disappearing, instead they are evolving. Understanding their shape and form will help with quantifying them more accurately and treating them uniquely.

The focus of this research paper is to provide trade marketers with a framework or a tool that they can use to identify the different types of traditional trade outlets that exists in the township so that they are able to optimise their distribution efforts, develop relevant point of sale marketing strategies, size and quantify these outlets.

This study is an exploration of the traditional trade ecosystem in the townships of 3 major provinces, Gauteng, KwaZulu/Natal and Western Cape.

It seeks to understand the factors, both internal and external, that have contributed to the survival and growth of traditional trade outlets and how they have eventually shaped the landscape and form of township shopping outlets.

These factors coupled with the observed attributes are then used to develop a framework for classifying traditional trade outlets in South Africa’s townships.

Further secondary desk research was conducted to understand how traditional trade outlets came about in South Africa’s townships, how their typology changed with the morphology of townships from the 1900s to present day. The secondary research also helps to contextualise traditional trade within the informal economy in terms of size and also value to the developing world.

1.1. Understanding the Role and Importance of the Informal Economy in the Developing World

The concept of an informal portion of the economy can be traced back to the early 70s. Formal income opportunities involve earning a wage in a modern sector which is amenable to enumeration by official surveys, whereas informal income opportunities from self-employment on the other hand escape enumeration from official surveys i.e. Tax Returns.

The informal economy plays an important role in transitional countries in facilitating successful adjustment to the globalisation and structural reforms. It provides a means of survival to a vast majority of poor and extremely poor workers in a society. 72% of non-agricultural employment in Sub-Saharan Africa is informal and in South Africa 19% of non-agricultural employment comes from the informal economy (Stats SA, 2007). According to Kingdon and Knight (2001), South Africa absorbs a very small proportion of the workforce in the informal economy by developing country standards.

In Sub-Saharan Africa, 84% of women non-agricultural workers are informally employed.

The importance of the informal economy in Africa cannot be underestimated, as it is responsible for most new employment. Guha-Khasnobis and Kanbur (2006) say the informal economy plays a role in unlocking entrepreneurial potential which could be lost in a mesh of formality.
The growth of the informal economy has been driven by a number of factors, namely:

- Slow pace of economic growth, hence a high incidence of jobless growth
- Migration motivated economic hardships and poverty
- Increasing demand for low cost goods
- Limited education and training opportunities
- Cost and regulatory barriers of entry into formal economy
- Increased urbanization of townships
- Promotion of SMMEs

1.2. Understanding the Role and Importance of the Informal Trade in the Developing World

The trade sector is the largest informal sector with over 1 million people engaged in it. Informal trade makes up 75% of total employment of the total informal sector in developing countries (Rolfe, et al., 2010), whereas in South Africa, informal trade absorbs only 12% of total employment (McLachlan, 2005).

Informal Trade is not only important in terms of providing a means to survive for the people at the bottom of the pyramid, it also permits the distribution of consumer goods, prohibited or not, to the bottom of the pyramid in the most efficient manner, which makes township outlets very important to manufacturers and wholesalers.

72% of people who run a township Traditional Trade outlet have some form of education, meaning there is a big opportunity for manufacturers to train these small business owners so that their outlets can evolve from being opportunistic and survivalists enterprises into sustainable and successful ones.

Informal Trade outlets are not homogenous, they vary in terms business activity, location, structure operating from and life stage.

The shape and nature of informal trade outlets is driven by a number of factors, namely:

- Lack of sufficient start up capital
- Influx of foreign owned outlets
- Influx of modern trade channels
- Urbanisation and growth of townships
- Poor cash flow
- Poor stock levels
- Lack of transport and adequate space to operate from

1.3. The Evolution of South African Townships

To understand the township Traditional Trade landscape one must understand the transformative journey townships have undergone.

Townships have an iconic value in South African society. They are the stage where the struggle theatre for freedom was played out. They are home to today’s politicians, famous artists, business and sports personalities.

Understanding the heritage of townships is key to understanding the heritage of brands at the bottom of the pyramid, which should give us a firm understanding of their power in the mind of township dwellers and power in the township market.
The townships we see today are a product of the Group Areas Act of 1950, where the Apartheid government invested in the expansion of townships and also a racially engineered town planning legislation forcing the entire non-white urban population to live in townships.

For Africans, Indians and Coloureds, townships were areas of exclusion, control, and containment affecting every aspect of the residents’ lives. A number of these townships had a single road and where possible one railway connecting them to the city centre and industrial areas.

The conditions people lived under influenced how they engaged with products and brands. The limited household space influenced pack sizes they purchased and how they stored products.

Lack of access to modern trade channels and income also influenced the frequency of missions, types of missions people did. Their basket sizes, brands and pack types were determined by their affordability.

By 2005, approximately 4.6 million households were living in Townships across South Africa, representing 36% of total households in SA at the time.

About 50% of metropolitan households were living in townships. The extent varied per metropolitan area; 70% in Ekurhuleni, 67% in Nelson Mandela Bay, 49% in Johannesburg, 46% in Cape Town, 42% in Tshwane and 33% in eThekwini.

South African townships have undergone significant transformation since this time, due to several reasons that include:

- Public and private investment initiatives
- Growth of a Black middle class due to education and employment
- Influx of modern trade channels
- Demand and accessibility of services i.e. Pay TV, Internet, Libraries and recreational parks

The below table gives one an idea of the transformative journey South African townships have undergone;

<table>
<thead>
<tr>
<th>1900 - 1922</th>
<th>1923 - 1947</th>
<th>1948 - 1976</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Segregation</td>
<td>Segregation Consolidated</td>
<td>Apartheid</td>
</tr>
<tr>
<td>First townships established</td>
<td>Government takes more direct role</td>
<td>Development slows down as focus shifts to the homelands</td>
</tr>
<tr>
<td>Labour urban areas</td>
<td>Increased government investment</td>
<td>Townships segregated socially, economically and physically</td>
</tr>
<tr>
<td>Limited investment</td>
<td>Informal settlements emerge</td>
<td>Poverty increases as access to opportunities is restricted</td>
</tr>
<tr>
<td>Poor living conditions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartheid Dismantled</td>
<td>Democratization</td>
<td>Towards Urban Integration</td>
</tr>
<tr>
<td>Civil unrest and international sanctions contribute to end of Apartheid</td>
<td>Significant investment into townships</td>
<td>Funding and capacity key constraints to development</td>
</tr>
<tr>
<td>Africans move into inner city &amp; suburbs</td>
<td>Access to housing and amenities improves</td>
<td>Upgrade of townships un-coordinated</td>
</tr>
<tr>
<td>Funding for housing increases</td>
<td>Townships remain separate and marginalised</td>
<td>Black middle class develop their own homes and businesses</td>
</tr>
</tbody>
</table>

Table 1.
After Apartheid was dismantled, a new trend emerged and it was characterised by the following:

- Townships remained spatially excluded due to their peripheral location and limited transport links to the cities
- In certain cases cities have expanded in such a manner that a township forms part of the city i.e. Alexander (Johannesburg) and Duncan Village (East London)
- New patterns of economic activity emerged where cities are multimodal, with economic activity and work places concentrated in several location, but this did not result in the integration of the townships or their development
  - Townships that are in proximity to economic hubs have become catchment basements for migrants moving from rural areas
  - Public transport remains costly to township dwellers

Today a typical typology of a city will contain a mix of the following elements:

- Core and frame (fringe)
- Decentralised commercial centres and suburbs
- Upper and middle income residential neighbourhoods
- Declining residential neighbourhoods
- Townships and post apartheid additions

- Many townships, especially the large ones contain middle and lower income areas and scattered middle income households
- A number of township residents are poor and unemployment rates are high

- Residential elements of townships are made up of
  - Old townships houses
  - Hostels
  - RDP houses
  - Informal settlements
  - Vacant land
  - Middle income/gap houses

Table 2.

Channels from which consumers purchase goods also take on a mixed typology influenced by their surroundings.
These township outlets have to serve consumers and shoppers from diverse economic backgrounds.

![Fig 2](image)

**Fig 3**

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Tier</th>
<th>Number of Shoppers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; R280 per day</td>
<td>1</td>
<td>1.7 mil</td>
<td>4%</td>
</tr>
<tr>
<td>R140 – R280 per day</td>
<td>2</td>
<td>3.9 mil</td>
<td>9%</td>
</tr>
<tr>
<td>R30 – R140 per day</td>
<td>3</td>
<td>20.9 mil</td>
<td>47%</td>
</tr>
<tr>
<td>&lt; R20 per day</td>
<td></td>
<td>18.2 mil</td>
<td>41%</td>
</tr>
</tbody>
</table>

![Fig 3 Source: Eighty 20, 2009](image)

The township economy consists of 3 aspects:

- **Welfare** – high levels of dependence on social grants due to high unemployment
- **External Economy** – employment outside the township
- **Internal Economy** – employed in formal and informal enterprises

This tells us that a typical township outlet should be able to cater to the needs of a shopper who earns less than R20 a day and the needs of the one who earns more than R280 a day. The business owner is aware that some people will shop at Modern Trade channels in townships and outside townships, others will shop across Modern and Traditional Trade channels within and outside townships and others can afford to only shop at township Traditional Trade outlets. This has serious implications to how they merchandise their outlets, the process of rationalising what value and premium brands to stock to get maximum conversion and maximum profit.

### 1.4. The Importance of Developing a Classification System for Township Traditional Trade Outlets

The objective of this research is to understand the nature of traditional trade outlets in the township and the factors (both internal and external) that have contributed to their current form and shape so as to develop a foundation for profiling and quantifying them.
This will help trade marketers fine tune their distribution plans and relevant point of sale marketing strategies. From what we have read in the previous paragraphs it is evident that the township outlet landscape is diverse and caters to an even diverse community. In an environment where the shop keeper has both limited space and cash, understanding the subtle nuances between one outlet and the next, could make a difference to a brand making its way into the outlet and then off the shelf (if there is a shelf).

To achieve this research objective, the following research questions are answered:

- How have internal factors contributed to the location, shape and form of the outlet
  - Why did they open a shop?
  - To what extent does the nationality of the store owner influence the characteristics of the shop?
  - How do they source their merchandise, is it through a network or is it individual based?
  - How have the resources available to them influenced the size of their shop and the variety of products they offer?

- How have the following external factors contributed to the location, shape and form of the outlet.
  - Urbanisation and rising income of the townships
  - Legislation and socio-political factors
  - Emergence of modern trade outlets in the township

2. Methodology

This study is exploratory in nature and for this reason will require a qualitative research approach to understand the character of the landscape and factors that have shaped it. Secondary research will be used to further understand and describe the depth of the landscape and also to support the primary research findings.

2.1. Design

To develop a classification system of traditional trade outlets, the primary research will take on a mixed methodology approach.

Firstly field work will be done in two type of areas in the township so as to better understand the dynamics brought about by the presence and absence of a modern trade outlet.

Observations will be done in and around the vicinity of a modern trade outlet and where there is no modern trade outlet.

The research will conducted Low and High Income townships in 3 major metropoles; Johannesburg, Cape Town and eThekwini.
2.2. Sources

Observation

Various township will be visited in order to observe the various types of traditional trade outlets.

The following will be documented:

- Type and size of building trading from or trading from a table top
- Proximity to modern trade outlets
- Location of the shop (main, arterial road, cross roads, taxi rank, bus stop or train station, other outlets)
- Walk in or counter service
- Categories stocked (i.e. home care, personal care, snacks and beverages, etc)
- Type of neighbourhood
- Traffic

Intercepts

Source: Shoppers will be intercept to briefly collect the following information:

- Frequency of visit
- Proximity to the shop (where they live)
- When they come to the shop
- Average spend per visit and per week
- Modern trade outlets they shop at and when and the missions they go on
- Price Point Perception of key goods

In depth Interviews

Source: Store keeper/owner

In-depth interviews will be held with storekeepers/owners to gain an understanding of how internal and external factors have influenced them to:

- Operate their business in general
- Merchandise their shop (where they stock, how they stock, what they stock and how they price).
2.3. Research Instruments and Data Collection

Please see the observation sheet and discussion guides in the appendix

2.4. Data Processing

The data was captured on observation sheets and corresponding pictures were taken by camera. The discussions were recorded with a tape recorder.

The data was analysed using thematic analysis.

3. Results and Applications of the Research Findings

3.1. Results

Characteristics of Township Outlets

While there are numerous attributes one can observe from various traditional trade outlets, there are 4 consistent attributes across all outlets that can help differentiate one outlet from the next, while providing key information of what the form and the nature of the outlet is. One can use these 4 key attributes in a one to one, one to many or many to many relationship to define an outlet.

![Diagram of characteristics of township outlets]

Five types of township outlets were identified and they can be classified according to their activity; structure they operate from; the location of the outlet; the life stage of the business and ownership.

![Diagram of types of township outlets]

Outlet locations can be further grouped into 4 life stages. At each stage the life stage faces varying internal external challenges that determine how the business operates and its level of sophistication.
How the business owner deals and overcomes these challenges determines that determines the survival and trajectory of the business.

Outlet locations can be grouped into 3 types; Captive Market, Convenience and Travel Point. Each location has its own advantage from predictable sales volumes, regular customers and high foot fall.

Looking at the outlets activity by the structure it operates from, one can see that there is some differentiation across the types of enterprises that exist. There is a lot more flexibility with where food can be sold as opposed to alcohol. This limitations are due to legislation and the practicality of running the operation.

Table 3
There is no differentiation in terms of activity and the location of the business. Different types of outlets can occur anywhere in the township as long as the owner can be exposed to the highest footfall for their type of business given the resources available to them.

<table>
<thead>
<tr>
<th></th>
<th>Captive Market</th>
<th>Convenience</th>
<th>Travel Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocery &amp; Non Grocery</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ready To Eat Food</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquor</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Fresh Products</td>
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<td></td>
<td></td>
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<tr>
<td>Grooming</td>
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</tbody>
</table>

Table 4

On Travel Points one finds all types of structures that outlets run their businesses from, the driving force for this being footfall. It is rare to find shacks in Captive Markets due to security of goods. It is also rare to find Table Top and Trailer operations in Convenience areas because these spaces are already dominated by Building, Container and Shack operations.

<table>
<thead>
<tr>
<th></th>
<th>Captive Market</th>
<th>Convenience</th>
<th>Travel Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Container</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shack</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Table Top</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trailer</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Table 5

Outlets with different activities will exist at different Life Stages, accept for the Fruit and Vegetables and Butchery outlets that seem to struggle to get to the Developed phase and this is due to internal challenges such as lack of ample cold storage space, own transport and Modern Trade outlets who offer fresher goods at a cheaper price to the township outlets.

<table>
<thead>
<tr>
<th></th>
<th>Opportunistic</th>
<th>Survivalists</th>
<th>Developing</th>
<th>Developed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocery &amp; Non Grocery</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ready To Eat Food</td>
<td></td>
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<tr>
<td>Liquor</td>
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<tr>
<td>Fresh Products</td>
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<tr>
<td>Grooming</td>
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</tbody>
</table>

Table 6

Outlets operated from a Shack and Table Top tend to be driven by Opportunistic instincts, whereas one finds a number of premises who are in their Survivalist stage. Brick and mortar operations are generally in their Developing or Developed stage because the owners have invested back into the business to make it bigger and more attractive.
Table 7

Classification of Township Outlets

**Grocery and Non Grocery Outlets** can be classified as a Spaza shop or General Dealer and this determined by the Life stage of the business. Outlets in their Developing or Developed phase almost never occur in Residential Buildings, whereas as Survivalists business occur in Residential Buildings, Containers and Shacks. It is important to note that Spaza Shops tend to be Counter Serve and General Dealers can be both Self Serve and Counter Serve.

![Diagram of township outlets classification](image)

**Fig 9**

**Grocery and Non Grocery Outlets** can be found in a Captive Market, Convenience or Travel Point. This means Spaza Shops and General Dealers can be further classified by their location.

![Diagram of location classification](image)

**Fig 10**
Combing the location and structural attributes of the Spaza Shop and the General Dealer, we end up with 10 unique outlets, 7 Spaza Shop types and 3 General Dealer types. Shoppers will purchase products and engage with brands differently as each outlet lends itself to particular missions and merchandises differently. This means a one size fits all marketing mix strategy will not work for Grocery and Non Grocery outlets in the townships.

**Fig 11**

**Ready to Eat Food Outlets**, can be classified as either Fast Food or Traditional Restaurant and Restaurant outlets, where the difference is the sophistication of the menu, the occasions shoppers use the outlet. Fast Food or Traditional Restaurants cater to the everyday occasions whereas the Restaurants will cater to the more special occasions and alcohol is sold on premise. Fast Food or Traditional Restaurants are not always licensed but Restaurants are licensed and zoned as business premises. Fast Food or Traditional Restaurants tend to be in an Opportunistic or Survivalist phase and Restaurants in their Developing or Developed phase.

**Fast Food or Traditional Restaurants** can be found in Residential and Non Residential Buildings, Containers, Trailers, Shacks or Table Tops, while Restaurants are found in Non Residential Buildings which have been zoned as business premises.

**Fig 12**

**Fast Food and Traditional Restaurants** can be found in a Captive Market, Convenience or Travel Point, while Restaurants are found exclusively on Travel Points.
Restaurants in their Developing and Developed phase will vary in sophistication, from Downmarket outlets that serve the locals on a day to day basis, Mainstream outlets that are mostly frequented on weekends and Upmarket outlets that are also frequented on weekends but appeal to a higher class than the Mainstream outlets. Premium outlets have a broader menu, host events and are generally branded by sponsors. There is a fine line that splits restaurants into core restaurants and those whose main focus is grilled meat, we call these ‘Shisa Nyama’.

Fig 13

Fig 14

Fig 15
Combing the location and structural attributes of the Fast Food and Traditional Outlets, we end up with 15 unique outlets and 6 Down-market, Mainstream and Up-market outlets, that can be either Restaurants or Shisa Nyamas based on the primary focus of the business.

**Fig 16**

**Liquor Outlets** can be classified as either a Shebeen, Tavern or Bottle Store. Shebeens and Taverns tend to be in their Opportunistic and Survivalists stage, while Bottle Stores can be in a Developing or Developed stage. Shebeens can be found in a Shack or Residential Building, while Taverns can be in either Residential or Non Residential Buildings and Bottle Stores will only be in Non Residential Buildings. Shebeens and Taverns are often Counter Serves, while Bottle Stores can be either Counter or Self-Serve or a combination of both.

**Fig 17**

**Liquor Outlets** are found in different locations depending on the nature of the outlet. Taverns can be either in a Captive Market or on a Travel Point, while Shebeens and Bottle Stores are exclusively in Convenience and Travel Points.

**Fig 18**
Combining the location and structural attributes of the Shebeen, Tavern and Bottle Store outlets, we end up with 6 unique outlets, where Shebeens split out into 2 and Taverns split out into 3 different outlets and Bottle Stores remain homogenous.

**Fig 19**

**Fresh Products Outlets**, can be classified as Fruit and Vegetable outlets and Fresh Meat outlets. Outlets that are in their Opportunistic and Survivalist stage can be found in the form of Table Tops, Shacks, Residential Buildings and Containers, while those that are in the Developing stage are found in Non Residential Buildings.

**Fig 20**

**Fresh Products Outlets** are found in locations that have high traffic in order to maximise sales but also to minimise wastage. Fruit and Vegetable outlets will be found across a Captive Market, Convenience and Travel Point, while Fresh Meat outlets will be found in Captive Markets and Travel Points.

**Fig 21**
Combing the location and structural attributes of the Fruit & Vegetable and Fresh Meat outlets, we end up with 10 unique outlets, where Fruit and Vegetable outlets split out into 7 unique outlets and Fresh Meat outlets split out into 3 unique outlets.

Fig 22

Grooming Outlets, vary in nature from basic barber shops to multi service (hair, manicure and pedicure) salons and can be found at various life stages. The more advanced salons tend to be unisex and multi service businesses and are found in non-residential buildings while those in table tops, shacks, containers and residential buildings will tend to specialise in a particular service and specific gender.

Fig 23

Grooming Outlets are found mostly in Convenience and Travel Points, where they are easily accessible and visible. Combining location and structural attributes yields 9 unique outlets.

Fig 24
Impact of Modern Trade on Traditional Trade Outlets

The influx of Modern Trade Channels may steal traffic from Traditional Trade Outlets but will not displace them. If anything Modern Trade has forced Traditional Trade outlets to be more innovative so as to stay competitive and has also created opportunities for Traditional Trade; where they can stock on certain goods that are on sale and sell them at a higher price to consumers. Modern Trade also attracts customers creating a Captive Market for Traditional Trade outlets to leverage from.

Modern Trade channels will come in 3 forms, Quick Service Restaurants, Shopping Centres and or Malls and Filling Stations that may or may not have a forecourt.

What was noticed is that Modern Trade Channels have not really displaced Traditional Trade Outlets. They have reduced the foot fall to Traditional Trade Outlets but have also created a Captive Market for Traditional Trade Outlets and a place to shop for certain goods such as Bread and Non Alcoholic Beverages (when on special).

Spaza Shops also become more relevant to shopper after hours when Modern Trade channels are closed and people have an urgent shop – this is when foot fall to Spaza Shops peak.

It was also noticed that Modern Trade channels do not keep smaller SKUs as compared to Traditional Trade outlets, so people will use Spaza Shops when they do not have money for large packs. People will also shop at Traditional Trade outlets if they are spending less than R50 because the travel fare to a Modern Trade channel does not justify the small shop.

Traditional Trade, particularly Prepared Food outlets, have become innovative in how they run their businesses by offering menus similar and at a better value than Modern Trade channels. In other words, Traditional Trade outlets that sell food, are not necessarily cheaper than KFC, McDonalds or Debonaires, they charge slightly more, but their portions are much larger, hence have a higher value for money.

3.2. Applications of the Research Findings

How can this piece of work be applied to real life business questions and decision making? Before answering this question, let me borrow Tara Prabhakar (Regional Managing Director, Retail & Shoppe APAC, TNS) words from an article she wrote, ‘Traditional Trade’s Gatekeepers;

“In a dimly lit store in the Philippines, categories elbow one another out of the way on straining shelves as if part of a madcap game of retail Tetris. A woman is peering at a selection of shampoo bottles that she’s picked out, watched carefully by another, more elderly woman behind the counter. As the shopper seems to make her decision, picking up a bottle and moving towards the counter, the older lady holds up a finger, begging her attention. She happens to sell a bottle of conditioner that goes excellently with that particular brand of shampoo and would work wonderfully with the younger woman’s hair. The shopkeeper then rummages beneath the counter for a few seconds before emerging with the promised bottle. It’s all part of the personalised service that keeps her customers coming back to the shop – and besides there was no way she could fit this bottle on the shelf as well. When you step into the world of traditional trade, the shopkeeper is always a key part of the picture. At an Indian railway station, he’s reaching into the fridge hidden behind him to find the perfectly sized water bottle to sit on a counter – and replace the one a hurrying commuter bought a second ago. In Vietnam, he waves to a couple of chairs perched outside his store on the street, where a mother and her daughter can sit and enjoy the crisps and drinks he’s selling them. These are the guardians of traditional trade. They are the gatekeepers for products in a world where there is often no direct contact between the shoppers themselves and products hidden away in
the dimly lit, cluttered environment. They are the custodians of the shopping experience in an environment where often the role of shelves is to protect products from rodents rather than offer an enticing display, where agreed planograms are a rarity, and where product viability is a matter of chance. And they are the embodiment of the challenges and opportunities that the traditional trade channel represents for brands. The traditional shopkeeper controls the category context every time he or she selects which of the available products they will squeeze onto the shelves; the shopkeeper can act as brand spokesperson, sampling agent or endorser; or can just as easily condemn a brand to a future hidden in the back of the store.”

From Tara’s words we can appreciate that understanding Traditional Trade is not just a South Africa issues. It is an emerging market issue. Business leaders know about the vast opportunities that lie at the bottom of the pyramid. There have been successes and failures in trying to leverage these opportunities. Those that have succeeded probably spent a little bit more time in trying to understand the dynamics of Traditional Trade outlets. This piece of work does not tell you how to build your brand with the Shopkeeper, but it certainly paints a clear picture of the environment they operate in.

For a long time, and justifiably so due to its complexity, Traditional Trade was lumped as a mass, that was poorly understood and hence poorly approached. In this work, Traditional Trade within the context of South African townships has been broken down to granular elements, each with subtle differences to the next. The same principles can be applied to the Philippines, India or Thailand.

This can go a long way in capturing retail value and volumes in Traditional Trade outlets at the bottom of the pyramid.

It certainly introduces a new language and lens to distribution and activation discussions. Instead of simply distributing or activating your brand in Spaza shops, you can say I would first like to launch my brand in Container Spaza shops that are situated on Travel Points because I want to build awareness. Distribution of product can be prioritised by location as opposed to by outlet type.

Public and private initiatives to build small medium enterprises in the informal economy can certainly be more directed now that we have a better understanding of the landscape. It can also help with policy and legislation making decisions.

As marketers and researchers we have made great strides in understanding the equity of brands in terms of their power in the mind and power in the market – now we can say exactly where in the market the brand needs to be fixed so as to improve its effective equity.

More and more, we are seeing in the moment activations and communications, understanding the retail landscape at the granular level, means we can insure brands make it into almost every moment.

We can measure social media more accurately because we would know what to expect from people’s behaviours at different outlets, for example one would expect someone to Tweet or share their location and status on Facebook when they are at an Up-market Shisa Nyama because the nature of the environment is extroverted and there would be less Tweeting and Facebooking at a Down-Market Shisa Nyama, because the mission is very functional and introverted in nature.
4. Conclusion

This work marks the beginning of a journey in trying to build the tools that are going to help researchers and businesses to navigate the retail landscape in the informal economy. We now have the sign posts that are going to help us find our way to the opportunity.

Can this work help us size Traditional Trade, certainly, if we can overlay this stencil with the locations where beverages and bread is delivered for example, we can start quantifying outlets that sell beverages and bread. We would have to find a means of how to capture Grooming and Fresh Product outlets.

There is ongoing work in the image recognition space, which can be applied to this work. For example, a call to action campaign designed to allow a consumer to share an image of a product they have purchased and the outlet they purchased from along the geotags of the image, can tell us what was purchased, when it was purchased and more importantly where it was purchased because we now have the attributes that define a particular outlet that can be used to teach a machine to recognise an image that has the qualifying attributes.

There is still room to improve on this work, particularly the understanding of Grooming and Fresh Products Outlets, I feel that these can be teased out a little bit more, but also the opportunities for FMCG goods are limited in the case of Fresh Products. Grooming outlets can have a Down-Market and Up-market dimension - this lens would help understand how value and premium brands are distributed in this space.

However this work was never meant to be conclusive and concrete, but to spark a conversation in the research and marketing fraternity.

The next immediate steps would be to develop a short questionnaire that can help in identifying and classifying an outlet based on its attributes.
5. References


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6. Appendix

SAMRA Research Paper:

The Many Faces of Township Traditional Trade

Discussion Guide: Shopper Intercepts
<table>
<thead>
<tr>
<th>Drivers of Change</th>
<th>Time: [10 minutes]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rationale: To understand how the local environment has changed, i.e. Development of township, emergence Modern Trade outlets, growth or decline of Traditional Trade outlets.</td>
<td>I would you to help me understand your township a little better, understand how the local environment has changed, i.e. Development of township, emergence Modern Trade outlets, growth or decline of Traditional Trade outlets and how this has affected where you shop.</td>
</tr>
<tr>
<td>1. How long have you lived in this township?</td>
<td></td>
</tr>
<tr>
<td>2. Would you say life in this township is worse of or better off now as compared to the previous years? Why is this?</td>
<td></td>
</tr>
<tr>
<td>3. How has your township changed in the past 5 years?</td>
<td></td>
</tr>
<tr>
<td>- Has there been any developments or improvements to your local and surrounding areas?</td>
<td></td>
</tr>
<tr>
<td>- Has crime increased or decreased in your areas? How has this influenced how people live or run their businesses?</td>
<td></td>
</tr>
<tr>
<td>- How has the shopping landscape changed? Are the more or less places to go to for shopping? Probe about MT and TT outlets</td>
<td></td>
</tr>
<tr>
<td>- How about places to purchases something to eat? What types of places are there to eat in your township? How would you rate these places compared to the modern outlets you know, i.e. KFC, McDonalds, etc</td>
<td></td>
</tr>
<tr>
<td>- What about places where you can go for leisure or purchase alcohol?</td>
<td></td>
</tr>
<tr>
<td>4. Have these developments influenced your life specifically?</td>
<td></td>
</tr>
<tr>
<td>5. How has your life changed in the past 5 years? Would you say it has improved or remained the same?</td>
<td></td>
</tr>
<tr>
<td>6. What about your life has changed?</td>
<td></td>
</tr>
<tr>
<td>7. Taking into consideration where you are with your personal life and your environment. Have your shopping habits and leisure activities changed or remained the same?</td>
<td></td>
</tr>
<tr>
<td>- Are you shopping at the same places or different places now? Which places are you shopping at?</td>
<td></td>
</tr>
<tr>
<td>- Are you going to different places for leisure and to purchase alcohol now? Which ones?</td>
<td></td>
</tr>
<tr>
<td>- Are you going to different places to buy your snacking, lunch and dinner meals? Which ones?</td>
<td></td>
</tr>
<tr>
<td>8. How do you see your life 5 years from now?</td>
<td></td>
</tr>
<tr>
<td>- Will it improve, stay the same or regress? Why is this?</td>
<td></td>
</tr>
<tr>
<td>- Will you continue to stay in the township? Why is this?</td>
<td></td>
</tr>
<tr>
<td>- Will you continue to frequent the informal outlets you mentioned now or not? Why is this?</td>
<td></td>
</tr>
<tr>
<td>9. Where do you see your township in the next 5 years?</td>
<td></td>
</tr>
<tr>
<td>- Will it improve, stay the same or regress? Why is this?</td>
<td></td>
</tr>
<tr>
<td>- Will there be more or less MT outlets? Why is this?</td>
<td></td>
</tr>
<tr>
<td>- Will there be more or less TT (informal) outlets or less? Why is this?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grocery and non-grocery specific shopping</th>
<th>Time: [10 minutes]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rationale: To understand at what traditional outlets they shop for grocery and non-grocery items and what matters when they do this.</td>
<td>I would you to help me understand why you shop at particular TT outlets, for this I am going to ask you a couple of questions.</td>
</tr>
<tr>
<td>1. So of all the times you go to a traditional trade outlet (i.e. spaza) for your shopping. What</td>
<td></td>
</tr>
</tbody>
</table>
are your reasons for choosing a TT outlet over a MT outlet?
2. What drives or triggers you to go to a TT outlet?
3. When does this happen mostly and why?
   - Probe about time of the day (morning – evening)
   - Weekday or weekend?
   - Mid-month, close to month end or any time of the month?
4. What types of items do you purchase at these outlets? Why these?
   - Do you purchase the same items all the time?
   - How frequently do you purchase these items a month? Why is this?
5. Where do you purchase the rest and why is this?
6. What other non-food related things do you purchase at these outlets? Why is this?
7. Where is the outlet you purchase from mostly?
   - Close to home (less than 5 minutes away)
   - On the main road, probe if it is a taxi route
   - Close to a taxi rank or bus stop
8. Is this on your way to work or from work or are you at home already?
9. How do you purchase your goods?
   - Do you go inside the store? How does this influence your shopping?
   - Do you purchase from a window or opening? How does this influence your shopping?
   - Do you purchase directly from the person? How does this influence your shopping?
   - What role does the person who is serving you play when you shopping? How does this affect your shopping experience?
10. Do you always find what you are looking for when you go to these outlets?
    - What happens when you do not find what you are looking for?
      - Do you go to another shop?
      - Do you ask the shop keeper to stock the item you looking for, for next time?
11. When shopping at these outlets, what is most important to you?
    - Variety across categories (different types of products)? Why
    - Variety across a category (different types of the same product)?
    - How important is the name of the brand when making your purchase? Why is this?
    - Is brand important for certain categories/products? What products are those and why?
12. What pack sizes do you purchase when you purchase at these outlets? Why?
13. How many items do you purchase on average, on each visit to these outlets? Why is this?
14. On average how much do you spend on each visit to these outlets? Why is this?
15. What other types of outlets similar or different to this one do you visit?
    - Are they different on size, type of structure they operate from, where they are located, owner?
    - Is this important to you and how you shop? Why is this?

<table>
<thead>
<tr>
<th>Salon Specific missions</th>
<th>Time: [10 minutes]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rationale: To understand at what traditional outlets they go to for grooming and what matters when they do this.</td>
<td></td>
</tr>
</tbody>
</table>

I would like you to help me understand why you shop at particular TT outlets, for this I am going to ask you a couple of questions.

1. So of all the times you go to a Salon outlet for your grooming. What are your reasons for choosing this particular outlet?
2. What drives or triggers you to go to a Salon outlet?
3. When does this happen mostly and why?
4. What types of services do you purchase at these outlets? Why these?
   - Do you purchase the same service all the time?
   - How frequently do you purchase these services a month? Why is this?

5. What other non-grooming services do you purchase at these outlets? Why is this?

6. Where is the outlet you purchase from mostly?
   - Close to home (less than 5 minutes away)
   - On the main road, probe if it is a taxi route
   - Close to a taxi rank or bus stop

7. What role does the person who is serving you play when doing your grooming?
   - How does this affect your experience?

8. Do you always find the same stylist when you go to these outlets?
   - What happens when you do not find the stylist you are looking for?
     i. Do you go to another salon?
     ii. Do you book an appointment with your regular stylist?

9. When doing your grooming at these outlets, what is most important to you?
   - Variety styles they can do? Why?
   - Variety of products they use? Why?
   - How important is the brand of hair care products when making your purchase? Why is this?

10. Do you purchase hair care products from these outlets?
    - What pack sizes do you purchase when you purchase at these outlets? Why?
    - How many items do you purchase on average, on each visit to these outlets? Why is this?

11. On average how much do you spend on each visit to these outlets? Why is this?

12. What other types of outlets similar or different to this one do you visit?
    - Are they different on size, type of structure they operate from, where they are located, owner?

13. Is this important to you? Why is this?

---

**Food outlets**

**Time: [10 minutes]**

Rationale: To understand at what traditional outlets they go to for eating and drinking purposes and what matters when they do this.

*I would like you to help me understand the places you go to for eating, leisure and drinking purposes*

1. What type of food outlets are there in the township?
2. What makes the one outlet different from the other?
   - Probe about type of food sold?
   - Price of food sold?
   - Sit in or take away?
   - General atmosphere and ambience
3. Are these outlets named specific names in the township? Probe why on each name
4. So of all the times you go buy food at township outlets. What are your reasons for choosing particular outlets? What drives or triggers you to go to choose a particular outlet?
   - Grab a bite/snack
   - Meal to go
   - Sit and have a meal
   - Chill and catch up with friends
- Meet new people
- Entertainment (music, play snooker)

5. When does this happen mostly and why?
   - Probe about time of the day (morning – evening)
   - Weekday or weekend?
   - Mid-month, close to month end or any time of the month?

6. What types of food do you purchase at these outlets? Why these?
   - Do you purchase the same food all the time?
   - How frequently do you purchase this menu a month? Why is this?

7. What other non-food related items do you purchase at these outlets? Why is this? Probe on
   - Alcoholic and non-alcoholic beverages
   - Grocery and non-grocery items

8. Where is the outlet you purchase from mostly? Is this important to you and why?
   - Close to home (less than 5 minutes away)
   - Far away from home (20 minutes to an hour away)
   - On the main road, probe if it is a taxi route
   - Close to a taxi rank or bus stop

9. Describe the manner in which you are served
   - Do you order from a menu?
   - Is the menu limited or does it have a wide variety of foods?
   - Do you go inside the store? How does this influence your shopping?
   - Do you purchase from a window or opening? How does this influence your shopping?
   - What role does the person who is serving you play when you make your order? How does this affect your experience?
     i. Probe: Do they choose for themselves or is a choice made for them
     ii. Is the food pre-cooked or is cooked whilst you are waiting?
     iii. Is the outlet a sit in or take away?

10. Are beverages sold here, sold as part of a combo?

11. Do you consume the beverage with your food on premise or do you take it away?

12. What types of alcoholic beverages do you purchase most frequently when you come to these outlets?

13. Are you allowed to bring your own alcohol onto the premises of the outlet? How often do you do this?

14. How many items do you purchase on average, on each visit to these outlets? Why is this?

15. On average how much do you spend on each visit to these outlets? Why is this?

---

**Liquor outlets**

<table>
<thead>
<tr>
<th>Rationale: To understand at what traditional outlets they go to for purchasing alcohol and what matters when they do this.</th>
</tr>
</thead>
</table>

*I would like you to help me understand the places you go to for purchasing alcohol and for leisure activities*

1. What type of liquor outlets are there in the township?
2. What makes the one outlet different from the other?
   - Probe on type of liquor sold?
   - Price of liquor sold?
   - Sit in or take away?
   - Purchase from a window or walk in
   - Purchase over the counter or take directly from the fridge/shelf
   - General atmosphere and ambience (Music, Juke box, Dj)
3. Are these outlets named specific names in the township? Probe why on each name
4. So of all the times you go buy liquor at township outlets. What are your reasons for choosing particular outlets? What drives or triggers you to go to choose a particular outlet?
   - Sit and have a drink
   - Chill and catch up with friends
   - Meet new people
   - Purchase to go
   - Entertainment (music, play snooker)
   - Celebrate with friends
   - Have a bite and drink
5. When does this happen mostly and why?
   - Probe about time of the day (morning – evening)
   - Weekday or weekend?
   - Mid-month, close to month end or any time of the month?
6. What types of alcohol do you purchase at these outlets? Why these?
   - Do you purchase the same alcohol all the time?
7. What other non-alcohol related items do you purchase at these outlets? Why is this? Probe on
   - Prepared food
   - Grocery and non-grocery items
   - Non-alcoholic beverages
8. Where is the outlet you purchase from mostly? Is this important to you and why?
   - Close to home (less than 5 minutes away)
   - Far away from home (20 minutes to an hour away)
   - On the main road, probe if it is a taxi route
   - Close to a taxi rank or bus stop
9. Describe the manner in which you are served
   - Do you go inside the store? How does this influence your shopping?
   - Do you order over a counter or can you take directly from the fridge or counter?
   - Do you purchase from a window or opening? How does this influence your shopping?
   - What role does the person who is serving you play when you make your order? How does this affect your experience?
   - Is the outlet a sit in or take away?
10. Do you consume the beverage on premise or do you take it away?
11. What types of alcoholic beverages do you purchase most frequently when you come to these outlets?
12. Are you allowed to bring your own alcohol onto the premises of the outlet? How often do you do this?
13. How many items do you purchase on average, on each visit to these outlets? Why is this?
14. On average how much do you spend on each visit to these outlets? Why is this?
<table>
<thead>
<tr>
<th>Location</th>
<th>Address</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cape Town</td>
<td>TNS House, 6 Thicket Road, Newlands, 7700</td>
<td>(021) 657 9500</td>
</tr>
<tr>
<td>Johannesburg</td>
<td>TNS House, Stonemill Office Park, Cnr Republic Road and 300 Acacia Road</td>
<td>(011) 778 7500</td>
</tr>
<tr>
<td>Durban</td>
<td>Milkwood East, Milkwood Office Park, 2 Milkwood Crescent, La Lucia Ridge</td>
<td>(031) 571 4705</td>
</tr>
</tbody>
</table>

**SAMRA Research Paper:**

**The Many Faces of Township Traditional Trade**

**Discussion Guide: Traders**
Drivers of Change | Time: [10 minutes]
---|---
Rationale: To understand what internal and external factors have influenced the shape and nature of the business.

I would you to help me understand your business a little better, why you started it, why you chose this location and how you go about running your business. For this I will ask you a couple of questions and please remember there are no wrong or right answers.

1. What lead to you opening this business?
   - Probe about the drivers for establishment, i.e. unemployment, extra income, taking advantage of an opportunity
2. How long have you been in business for?
3. How has your business changed in this period?
   - What brought about those changes?
   - How did these changes affect the manner in which you do business?
   - How did these changes affect the manner in which you interact with your customers?
4. Have you always been in this business or did you have a different kind of business before?
   - If yes, please describe your previous business to me?
   - What lead to you changing your business?
   - Is business better now or worse than before? Why is this?
5. Why did you choose this particular location?
6. Has your business always been in this location?
   - If not, where were you located and what lead to you changing your location?
   - If business better or worse off in this new location?
7. How has the environment you work changed in the past couple of years?
   - Has the township developed? How has this influenced your business?
   - Are you getting more or less business? Why is this?
   - Have more outlets opened around your vicinity? And has this influenced your business?
8. If Modern Trade present. Which came first your business or the MT outlet? How has this affected your business?
9. Where do you see your business in the next 5 years? Why is this?
10. Why do you operate your business from this current structure?
11. Do you see this current structure changing in the near future? What would lead to this change?

Business Operations | Time: [10 minutes]
---|---
Rationale: To understand how the business operates and how this has influenced the nature of the business.

I would you to help me understand how you operate your business and for this I am going to ask you a couple of questions.

16. How many people do you employ in your business? Why this number?
17. How many days in a week do you open?
   - Which are your busiest days? Why is this?
   - Which are your slowest days? Why is this?
18. What are your operating hours? Refer to observation sheet for day parts
   - What is your peak operating period? Why is this?
   - What is slowest operating period? Why is this?
19. What would you say you make per week? Refer to observation sheet for income bands.
20. How frequently do you stock?
21. Are there items you stock more frequently than others?
- What are they?
- How frequent do you stock these items?
22. Which items are your most profitable? Why is this?
23. Which items are your least profitable? Why do you still stock these items?
24. How do you decide what you need to stock for your outlet?
25. How much variety of items do you purchase across a particular category or brand? Variants or Pack Types
26. How well would you say you understand your customers? Why is this?
27. What quantity of stock do you purchase on each trip? Why is this?
28. What items would you say are a must have for your business?
29. Are brands important to your customers or is the category sufficient?
   - If yes, across which categories are they brand conscious?
   - If no, across which categories are they not brand conscious?
30. Where do you purchase your stock? Why there?
31. What else have you done in your business to attract more customers?
   - How has this worked out for your business?
### SHAPE OF THE BUSINESS

<table>
<thead>
<tr>
<th>Sketch Neighbouring Outlets</th>
<th>Location</th>
<th>Modern Trade Present</th>
<th>Structure Operating From</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Main Road</td>
<td>▪ Yes</td>
<td>▪ No</td>
<td>▪ Supermarket</td>
</tr>
<tr>
<td>▪ Arterial Road</td>
<td>▪ One Man Show</td>
<td>▪ Table Top</td>
<td>▪ One Man Show</td>
</tr>
<tr>
<td>▪ Cross Roads</td>
<td>▪ Table Top</td>
<td>▪ Fire Place</td>
<td>▪ 2m x 2m</td>
</tr>
<tr>
<td>▪ Taxi Rank</td>
<td>▪ Fire Place</td>
<td>▪ Mobile Container</td>
<td>▪ 2m x 3m</td>
</tr>
<tr>
<td>▪ Train Station</td>
<td>▪ Shipping Container</td>
<td>▪ Shack</td>
<td>▪ More than 9m²</td>
</tr>
<tr>
<td>▪ Taxi/Bus Stop</td>
<td>▪ Brick &amp; Mortar</td>
<td>▪ Single Storey</td>
<td>▪ Multi Storey</td>
</tr>
<tr>
<td>▪ Church</td>
<td>▪ Brick &amp; Mortar</td>
<td>▪ Single Storey</td>
<td>▪ Multi Storey</td>
</tr>
<tr>
<td>▪ School</td>
<td>▪ Brick &amp; Mortar</td>
<td>▪ Single Storey</td>
<td>▪ Multi Storey</td>
</tr>
<tr>
<td>▪ Shopping Centre</td>
<td>▪ Brick &amp; Mortar</td>
<td>▪ Single Storey</td>
<td>▪ Multi Storey</td>
</tr>
</tbody>
</table>

### SIZE OF STRUCTURE

- ▪ Multi Storey
- ▪ Brick & Mortar
- ▪ Single Storey
- ▪ Mobile Container
- ▪ 2m x 3m
- ▪ 3m x 3m
- ▪ More than 9m²

### NATURE OF THE BUSINESS

<table>
<thead>
<tr>
<th>OPERATING DAYS</th>
<th>OPERATING HOURS</th>
<th>Type of Business</th>
<th>Level of Sophistication</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Once a Week</td>
<td>▪ Opening</td>
<td>▪ Closing</td>
<td>▪ Groceries Items</td>
</tr>
<tr>
<td>▪ Twice a Week</td>
<td>▪ Early Morning</td>
<td>▪ Early Morning</td>
<td>▪ Non Groceries Items</td>
</tr>
<tr>
<td>▪ Every Day</td>
<td>▪ Morning</td>
<td>▪ Morning</td>
<td>▪ Salon</td>
</tr>
<tr>
<td>▪ Afternoon</td>
<td>▪ Afternoon</td>
<td>▪ Food</td>
<td>▪ Traditional ▪ Stew ▪ Sandwich ▪ Chips</td>
</tr>
<tr>
<td>▪ Evening</td>
<td>▪ Evening</td>
<td>▪ Alcohol</td>
<td>▪ Value Brands ▪ Premium Brands</td>
</tr>
<tr>
<td>▪ Week Days</td>
<td>▪ Late Night</td>
<td>▪ Late Night</td>
<td>▪ Grooming</td>
</tr>
<tr>
<td>▪ Weekends</td>
<td>▪ Late Night</td>
<td>▪ Grooming</td>
<td>▪ Value Brands ▪ Premium Brands</td>
</tr>
</tbody>
</table>