

CHAPTER TEN: IN-DEPTH CASE STUDY ANALYSIS – THULA PLAZA

10.1 INTRODUCTION

Thula Plaza represents a community centre located in Thulamahashe, Bushbuck Ridge, Mpumalanga. The purpose of this chapter is multi-fold:

- ✓ Firstly, to provide a profile of the centre under investigation and its location in relation to surrounding supply;
- ✓ Secondly, to provide a socio-economic profile of the primary consumer market of the centre;
- ✓ Thirdly, to provide an overview of past and present consumer market behaviour, overall level of satisfaction, perceived needs and preferences;
- ✓ Fourthly, to determine the overall impact that the development of the centre had on the local community and economy.

10.2 THULA PLAZA PROFILE AND LOCATION WITH REFERENCE TO COMPETITION

10.2.1 THULA PLAZA PROFILE

Table 10.1 provides a condensed profile of Thula Plaza. Overall it is evident that it represents a community centre of 11 404m² retail GLA, located at Stand 1594, Thulamahashe, Bushbuck Ridge. It was developed in 1998 and consists of a single retail floor with 36 shops. It is anchored by a Score Supermarket and Boxer Cash 'n Carry.

Table 10.1: Thula Plaza Profile

Centre type	Community centre
Centre size	11 404m ² retail GLA
Location	Stand 1594, Thulamahashe, Bushbuck Ridge
Date of development	1998
Number of retail floors	1
Number of shops	36
Number of parking bays	Not specified
Anchor tenants	Score Supermarket Boxer Cash 'n Carry
Owner	Community Property Company (Pty) Ltd
Developer	McCormick Property Developments

Source: Demacon Ex. SACSC, 2010

10.2.2 THULA PLAZA LOCATION WITH REFERENCE TO COMPETITION

Map 10.1 indicates that there are no other formal retail centres within 10km from Thula Plaza, however, four other centres are located within 20km from Thula Plaza. Table 10.2 indicates the detail of the centres located within a 20km radius from Thula Plaza.

Map 10.1: Location of Thula Plaza and Other Retail Centres Within and Beyond a 10km Radius

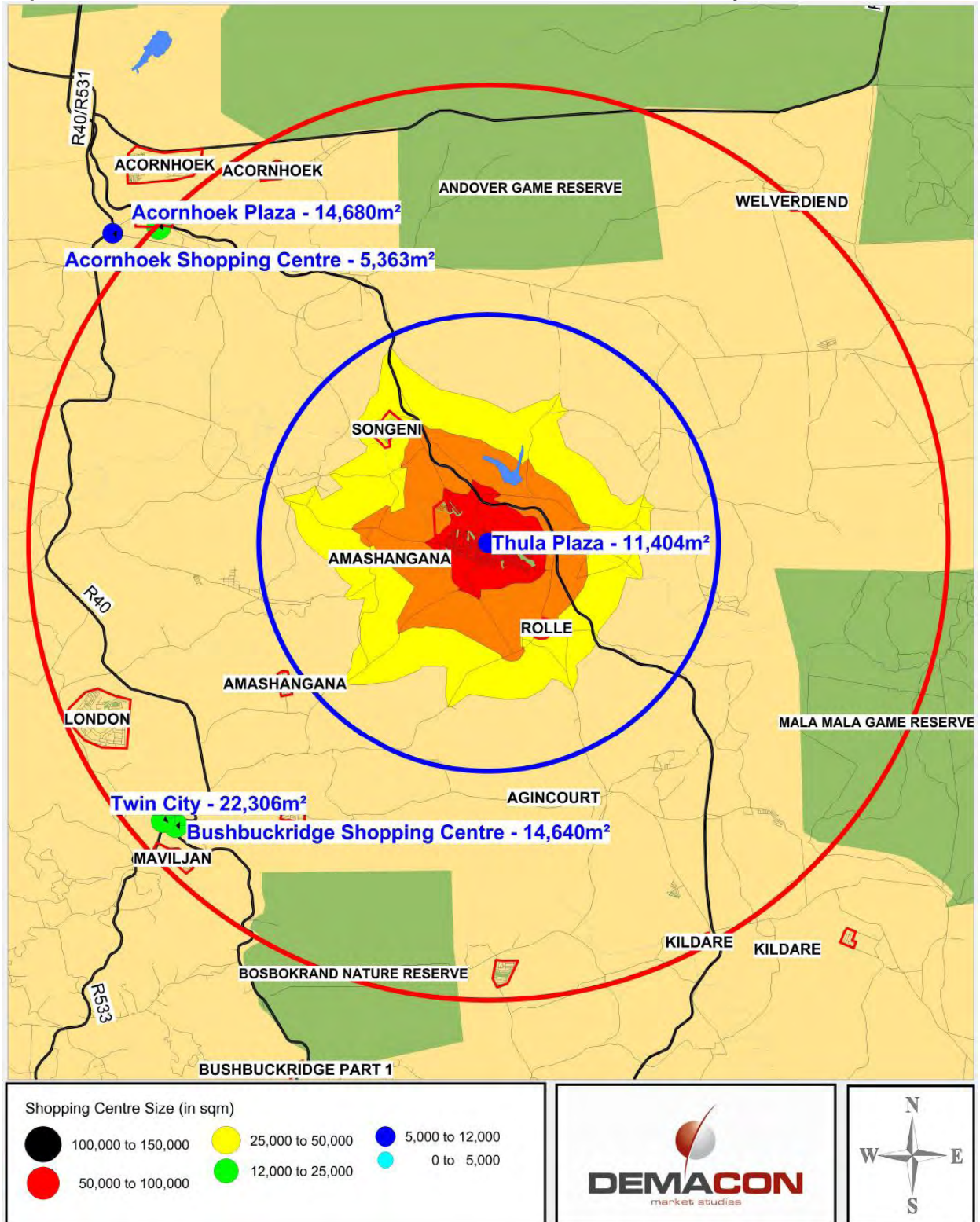


Table 10.2: Existing Supply Within 20km of Thula Plaza

Centre	Location	Size (m ² GLA)	Classification	Developed	Shops	Anchors
Twin City – Bushbuckridge Centre	Bushbuckridge	22 306	Community centre	1998	58	Super Spar, Pep, Jet, Ackermans, FNB, Boxer, Std Bank, Ellerines, KFC
Acornhoek Plaza	Acornhoek	14 680	Community	1993	65	Score, Edgars
Bushbuckridge Shopping Centre	Bushbuckridge	14 640	Community	1994	64	Shoprite Checkers
Thula Plaza	Thulamahashe	11 404	Neighbourhood	1998	36	Score, Boxer Cash 'n Carry
Acornhoek Shopping Centre	Acornhoek	5 363	Neighbourhood	1994	16	Barnetts, Price 'n Pride, Pep, Spar, Goldex, Value Furnishers
Total		68 393				

Source: Demacon, 2010

- ✓ There are no other retail centres within 10km, however, there are four other centres within 20km from Thula Plaza.
- ✓ Two are located in Acornhoek and two in Bushbuckridge.
- ✓ These include three community centres and one neighbourhood centre.
- ✓ The sizes of the centres vary between 5 363m² retail GLA and 22 306m² retail GLA.
- ✓ The centres excluding Thula Plaza constitute a total of 56 989m² of retail GLA.
- ✓ None of these centres were developed post 2000.
- ✓ Anchors include Spar, Pep, Jet, Ackermans, Boxer, Standard Bank, Ellerines, KFC, Edgars, Score, Shoprite, Barnetts, Price 'n Pride, Goldex, Value Furnishers.

Overall, Thula Plaza is located in a market area characterised by low levels of supply, and represents the only centre within 10km of its current location.

10.3 CONSUMER MARKET PROFILE

In order to understand the consumer market profile of Thula Plaza, a 10km trade area was delineated – Refer to Map 10.1. Subsequent paragraphs highlight the dominant characteristics of the primary trade area population, in terms of:

- ✓ Population size;
- ✓ Racial profile;
- ✓ Age profile;
- ✓ Level of education;
- ✓ Employment status;
- ✓ Occupation profile and manner of employment;
- ✓ Average annual household income;
- ✓ Mode of transport;
- ✓ Dwelling type.

Table 10.3: Consumer Market Profile, 2010 Estimates

Variable	Primary Source Market Characteristics
Number of people	✓ 65 145
Number of households	✓ 14 598
Household size	✓ 4.6
Household density	✓ 197.6 households/km ²
Racial distribution	✓ African blacks – 99.9%
	✓ Coloureds – 0.1%
Age profile	✓ 0-14: 42.2%
	✓ 15-19: 14.2%
	✓ 21-35: 20.9%

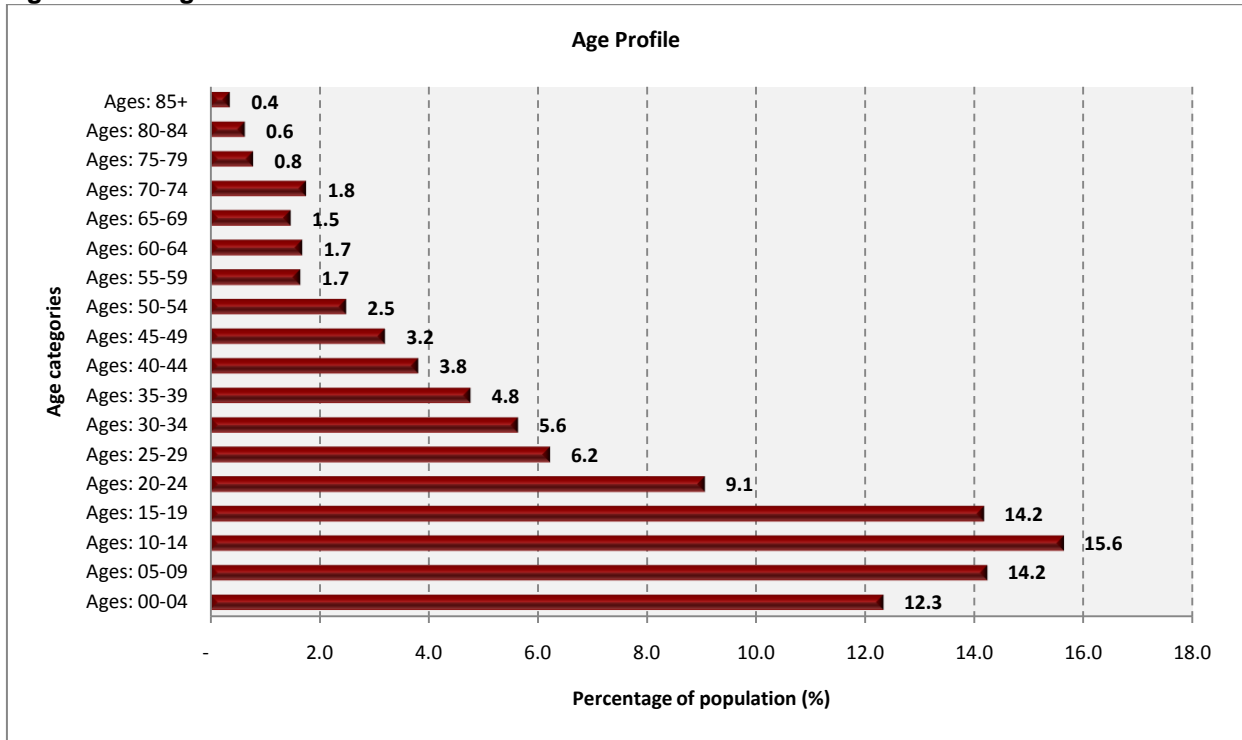
Variable	Primary Source Market Characteristics
	<ul style="list-style-type: none"> ✓ 36-65: 17.6% ✓ 65+: 5.0%
Educational attendance (aged 5 to 24 years)	<ul style="list-style-type: none"> ✓ School: 76.5% ✓ None: 20.4% ✓ Pre-school: 2.3% ✓ Other: 0.7%
Highest level of education (aged 20 and older)	<ul style="list-style-type: none"> ✓ Higher: 9.9% ✓ Grade 12: 13.7% ✓ Some secondary: 20.8% ✓ Some primary and primary: 16.3% ✓ None: 39.3%
Level of employment	<ul style="list-style-type: none"> ✓ EAP: 45.2% ✓ Employed: 31.9% ✓ Unemployed: 68.1%
Manner of employment	<ul style="list-style-type: none"> ✓ Paid employees: 83.2% ✓ Self-employed: 10.4% ✓ Family worker: 2.7% ✓ Employer: 3.8%
Occupation profile	<ul style="list-style-type: none"> ✓ Elementary occupations: 26.0% ✓ Technicians and associate professionals: 20.3% ✓ Service workers: 12.6% ✓ Professionals: 11.8% ✓ Clerks: 8.3% ✓ Craft and related trade: 8.2% ✓ Plant and machine operators and assemblers: 7.8% ✓ Legislators, senior officials and managers: 3.3%
Weighted average household income ⁸⁴	<p>Total market earning an income:</p> <ul style="list-style-type: none"> ✓ R44 589.1/annum ✓ R3 715.8/month <p>LSM 4 to 10+:</p> <ul style="list-style-type: none"> ✓ R86 757.8/annum ✓ R7 229.8/month
LSM profile	<ul style="list-style-type: none"> ✓ LSM 1-3: 70.5% ✓ LSM 4-10+: 29.5%
Mode of transport	<ul style="list-style-type: none"> ✓ On Foot: 88.9% ✓ Private Vehicle: 5.6% ✓ Mini-bus: 3.7% ✓ Bus: 0.8%
Dwelling type	<ul style="list-style-type: none"> ✓ House on separate stand: 77.1% ✓ Traditional dwellings: 15.1% ✓ Flat in block of flats: 2.4% ✓ Informal dwellings in backyard: 1.5% ✓ Informal dwelling on separate stands: 1.4%

Source: Demacon Ex. Quantec, 2010

Subsequent figures highlight some of the salient features of the consumer market.

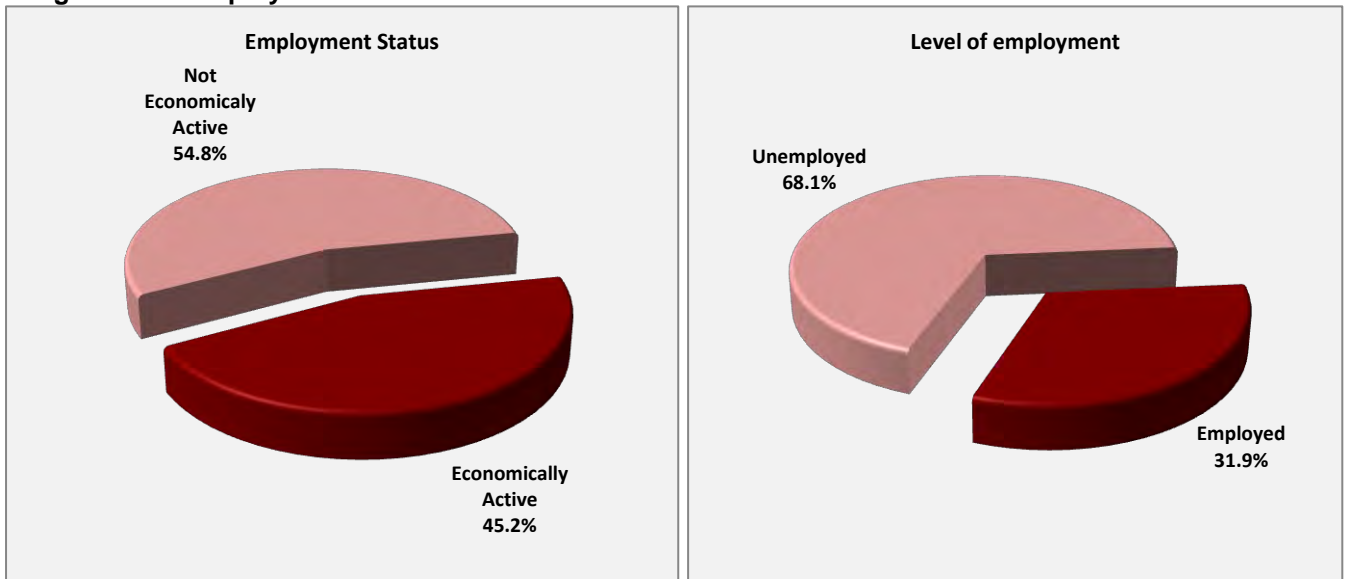
⁸⁴ Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.

Figure 10.1: Age Profile of Consumer Market



Source: Demacon Ex. Quantec, 2010

Figure 10.2: Employment Status



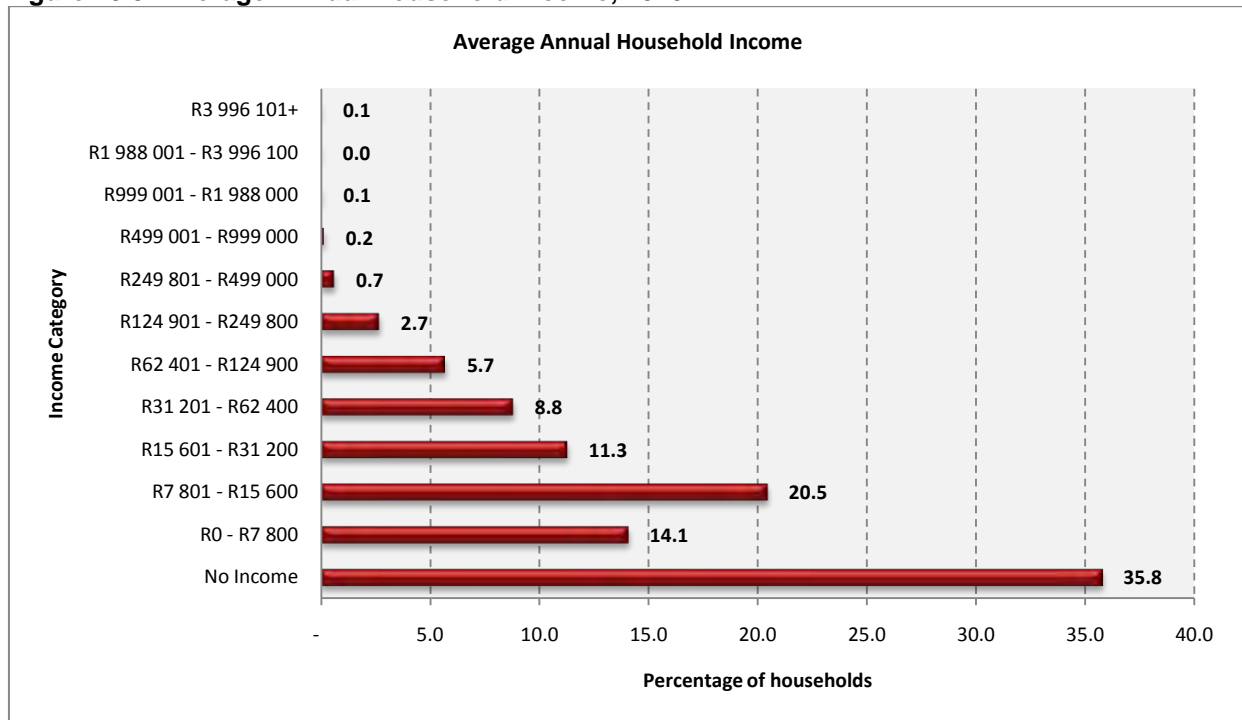
Source: Demacon Ex. Quantec, 2010

Table 10.4: Living Standard Measurement Indicator, 2010

Income category (R/month)	LSM Status	Market Area
Super A income	LSM 10+	0.7
A Income	LSM 10	0.3
B Income	LSM 9	1.9
C Income high	LSM 8	0.8
C Income low	LSM 7	4.6
D Income	LSM 6	6.4
D Lower top	LSM 4 to 5	14.8
D lower end	LSM 1 to 3	70.5

Source: Demacon Ex. Quantec, 2010

Figure 10.3: Average Annual Household Income, 2010



Source: Demacon Ex. Quantec, 2010

Overall the primary consumer market profile reveals the following pertinent characteristics:

- ✓ At least **14 598** households (2010);
- ✓ Largely an African black consumer market;
- ✓ Moderate segment of young and upcoming market segment, supported by more mature adult segment and a very large youth component;
- ✓ Consumer market characterised by low levels of education;
- ✓ Relatively small economically active market segment, characterised by low levels of employment – reflecting extremely high dependency ratios;
- ✓ Occupation profile reflects a dominance of blue collar occupations, supported by a smaller component of white collar occupations. Overall the occupation profile reflects a lower-middle income consumer market characterised by pockets of wealth and poverty;
- ✓ Weighted average monthly household income of target market (LSM 4 to 10+) approximately **R7 229.8** (2010);
- ✓ Low living standard levels – **LSM 1 to 3 (70.5%); LSM 4 to 10+ (29.5%);**
- ✓ A number of factors contribute to the general property development climate in a specific geographical area. The socio-economic factors that provide an initial indication of market potential are levels of education, level of employment, income and standards of living. These factors combined reflect a consumer market with a demand predominantly focused towards the lower to middle spectrum of commercial products and services.

In order to examine the impact that the development of Thula Plaza had on the local community proportionally stratified household surveys were conducted within the 10km radius. Subsequent paragraphs highlight the findings of these surveys.

10.4 IMPACT OF THE DEVELOPMENT OF THULA PLAZA

Household surveys were conducted within the 10km trade radius in order to study past and current consumer behaviour using the development of Thula Plaza as reference point. They also show current levels of satisfaction, perceived demands pertaining to future extensions and preferences pertaining thereto. These findings reveal the overall impact that the centre had on the local community and their consumer behaviour.

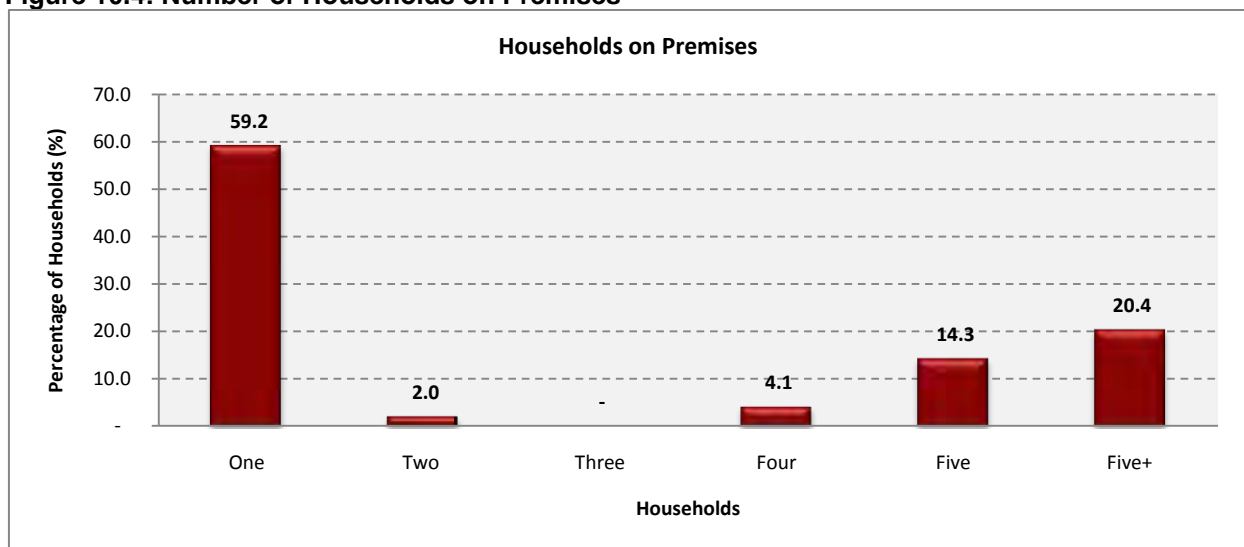
The findings of these surveys are addressed under the subsequent main headings:

- ✓ Household information;
- ✓ Past consumer behaviour;
- ✓ Current consumer behaviour;
- ✓ Frequency of visits and dwell time;
- ✓ Level of satisfaction;
- ✓ Need to expand Thula Plaza;
- ✓ Overall impact of the development of Thula Plaza;
- ✓ Living Standard and Average Annual Income.

10.4.1 HOUSEHOLD INFORMATION

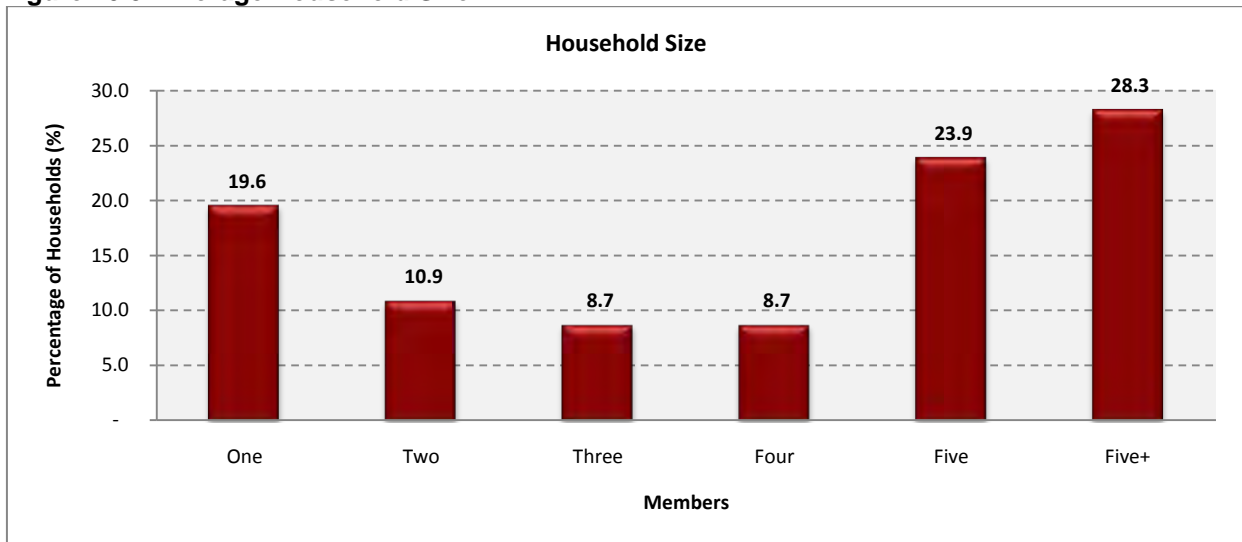
In terms of household information the following were addressed: number of households on the premises, average household size, current life stage, age profile of household members, family member mainly responsible for conducting retail purchases, mode of transport, number of breadwinners and suburb of employment.

Figure 10.4: Number of Households on Premises



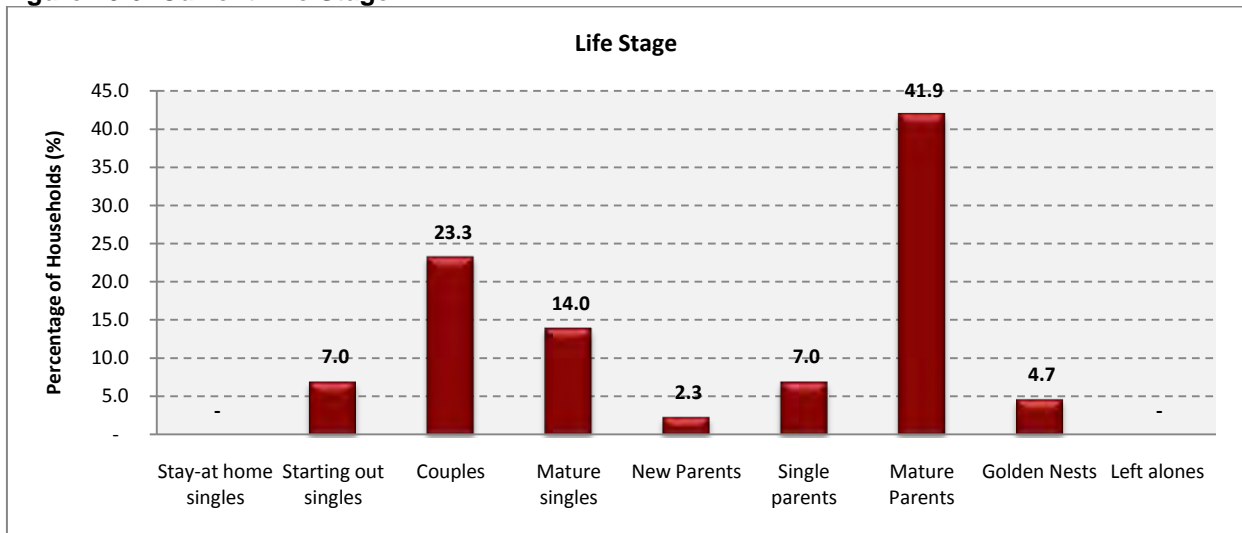
Source: Demacon Household Surveys, 2009

Figure 10.5: Average Household Size



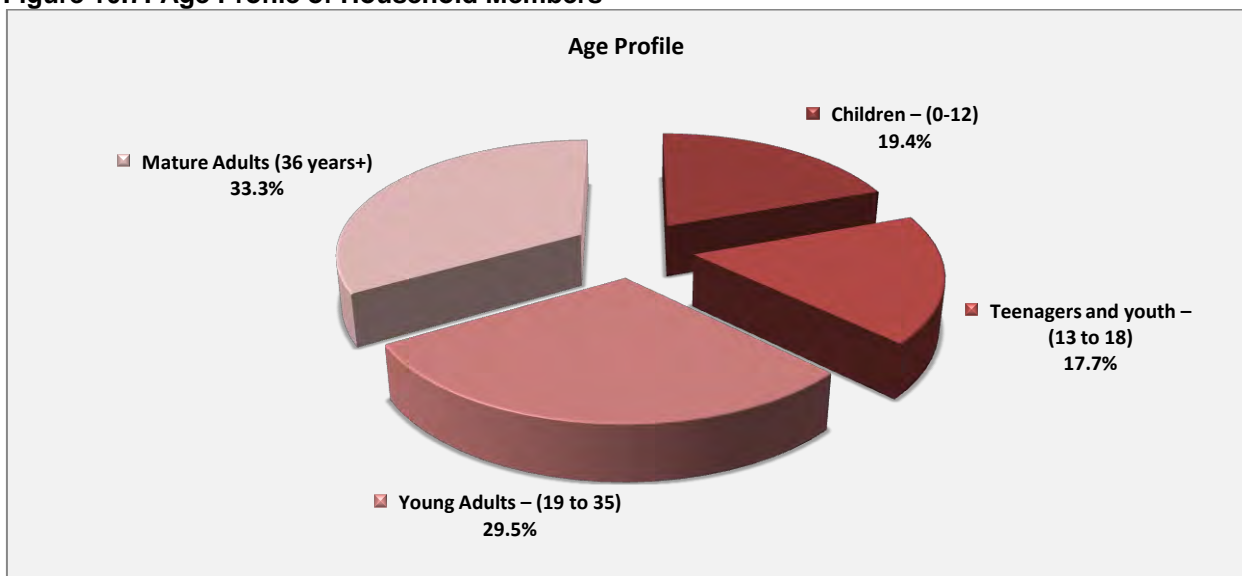
Source: Demacon Household Surveys, 2009

Figure 10.6: Current Life Stage



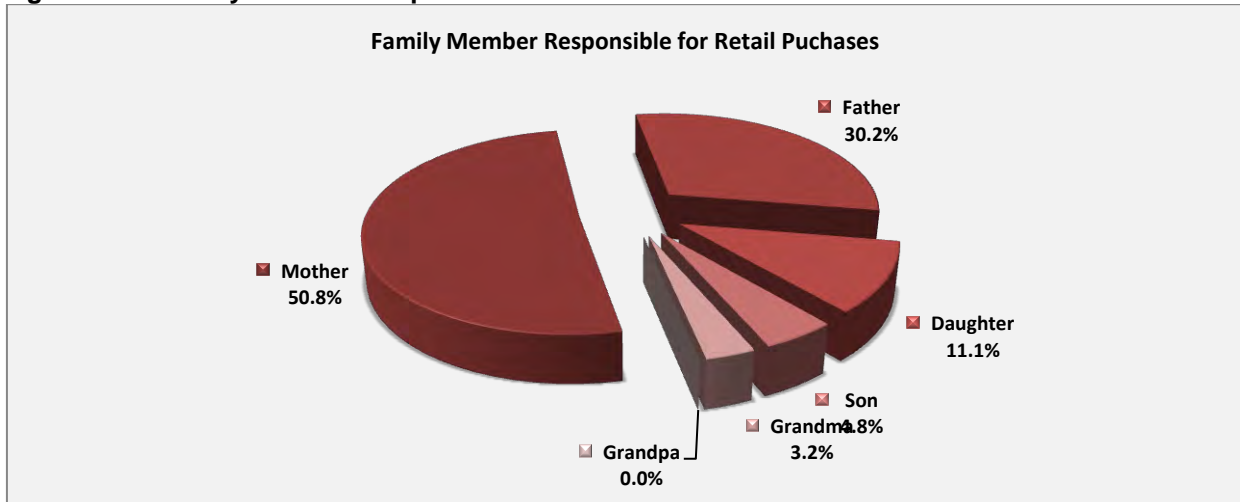
Source: Demacon Household Surveys, 2009

Figure 10.7: Age Profile of Household Members



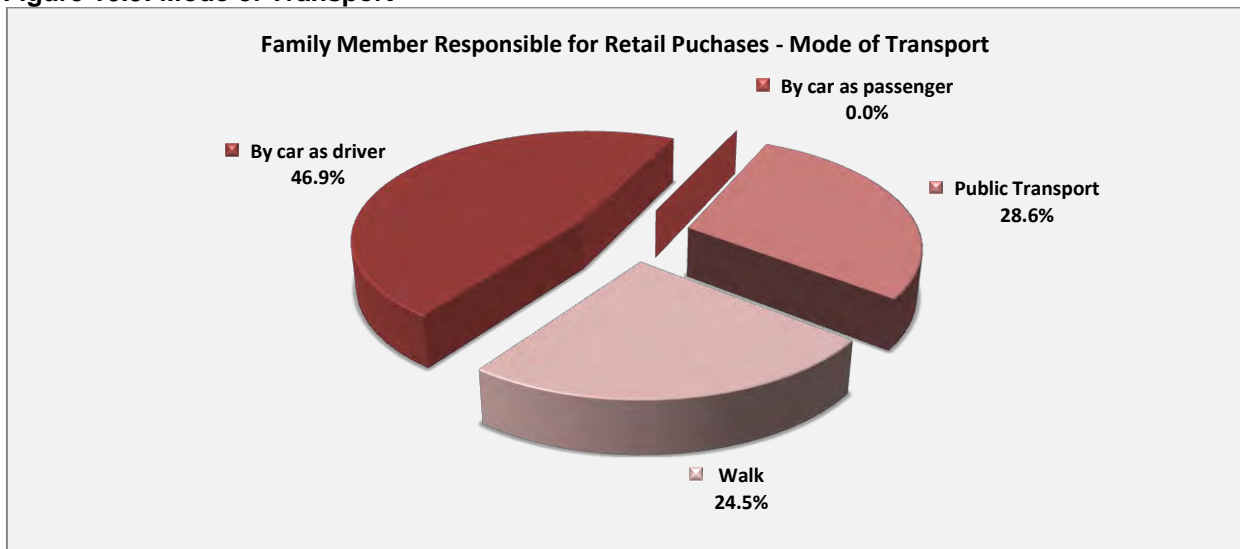
Source: Demacon Household Surveys, 2009

Figure 10.8: Family Member Responsible for Retail Purchases



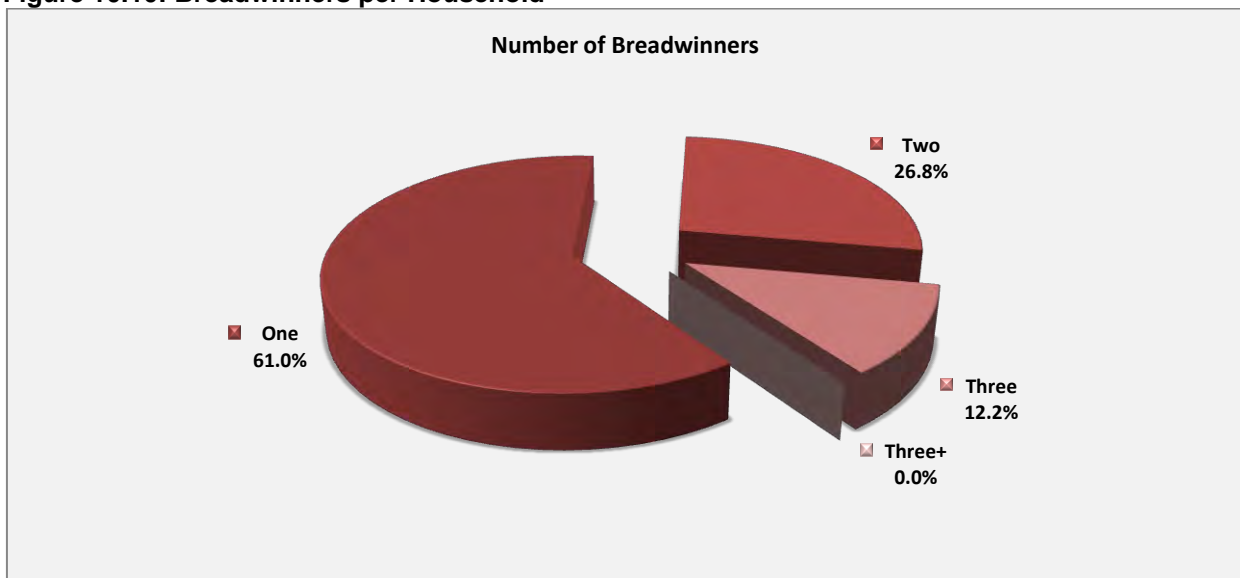
Source: Demacon Household Surveys, 2009

Figure 10.9: Mode of Transport



Source: Demacon Household Surveys, 2009

Figure 10.10: Breadwinners per Household



Source: Demacon Household Surveys, 2009

Findings: (Figures 10.4 to 10.10)

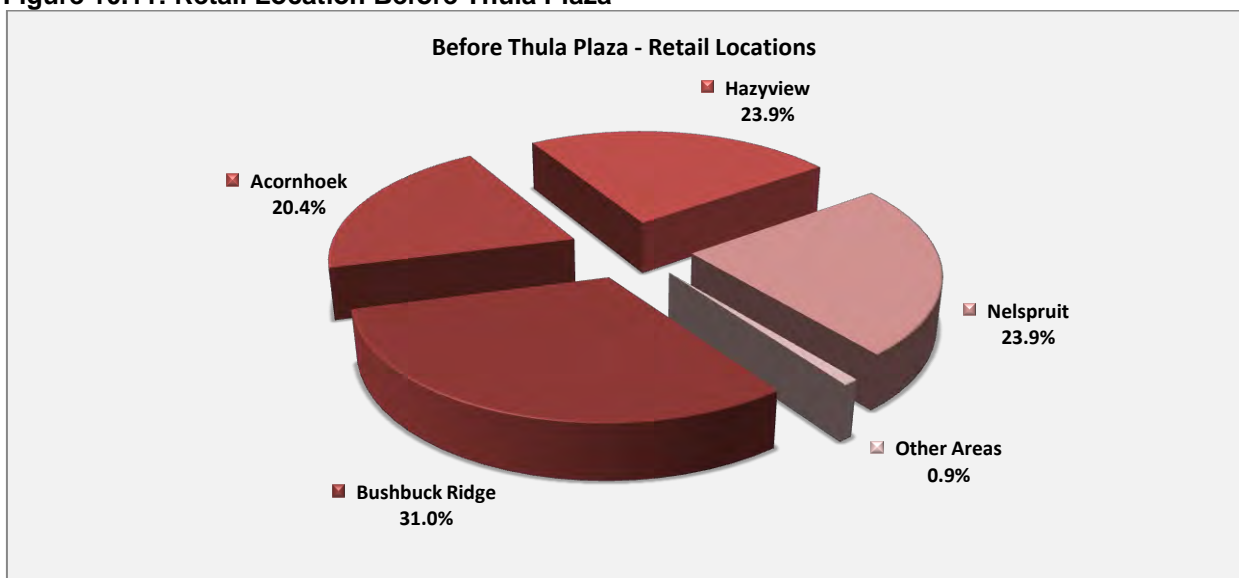
Consumer market reflects the following household characteristics:

- ✓ There is mainly one household on the premises (59.2%), while 34.7% of respondents have four and more households on the premises.
- ✓ Households mainly consist of four and more members (52.2%).
- ✓ The dominant life stages include mature parents (41.9%), couples (23.3%) and mature singles (14.0%).
- ✓ The age profile of household members reflects a dominant adult population (33.3%), supported by a slightly smaller segment of young adults (29.5%) and children (19.4%) and teenagers (17.7%).
- ✓ The mothers (50.8%), followed by the fathers (30.2%) and daughters (11.1%) are mainly responsible for retail purchases.
- ✓ Persons responsible for retail purchases reach their retail destinations mostly by means of private vehicles (46.9%), public transport (28.6%) or walking (24.5%).
- ✓ The majority of households are characterised by a single breadwinner (61.0%), followed by 26.8% of the households having two breadwinners and a small segment (12.2%) being characterised by more than two breadwinners.
- ✓ These breadwinners are mainly employed in Thulamahashe, Bushbuck Ridge, Hazyview, Acornhoek, Nelspruit and Secunda.

10.4.2 PAST CONSUMER BEHAVIOUR

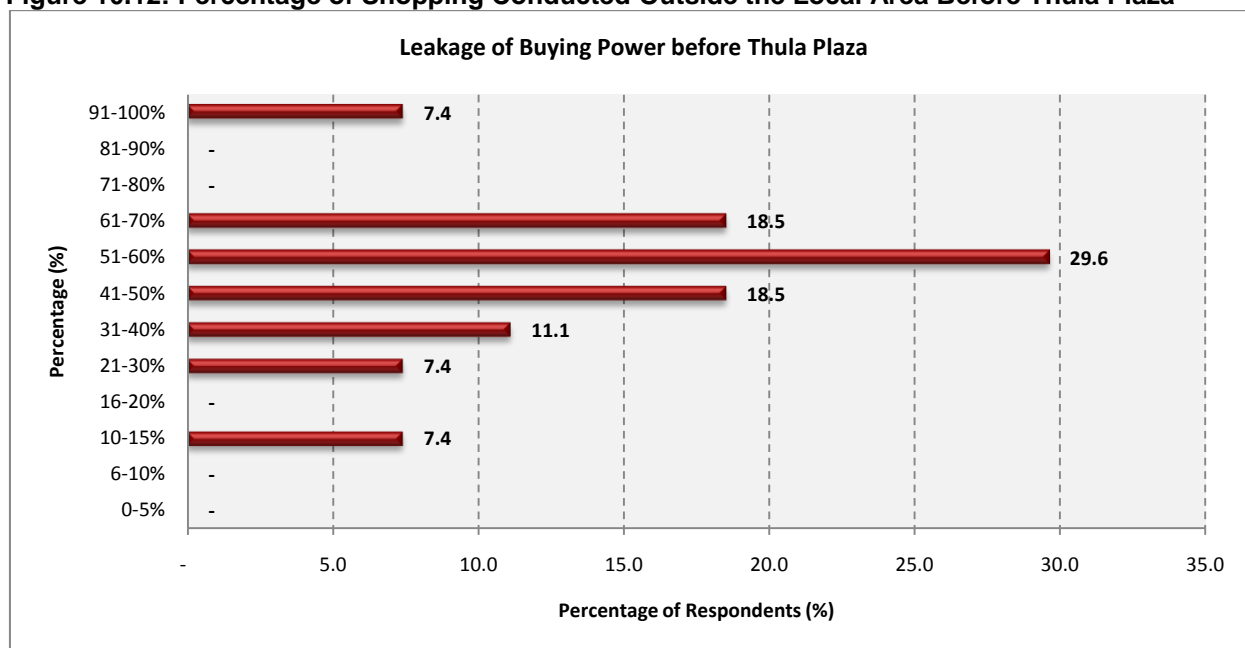
Subsequent paragraphs address the issue of past consumer behaviour before Thula Plaza was developed. They provide information on where consumers shopped before the mall was developed, what percentage of shopping was conducted outside of the local area, at which centre, the distance to these centres, an indication of expenditure at local traders, household expenditure, transport costs and average time to retail destinations and traders.

Figure 10.11: Retail Location Before Thula Plaza



Source: Demacon Household Surveys, 2009

Figure 10.12: Percentage of Shopping Conducted Outside the Local Area Before Thula Plaza



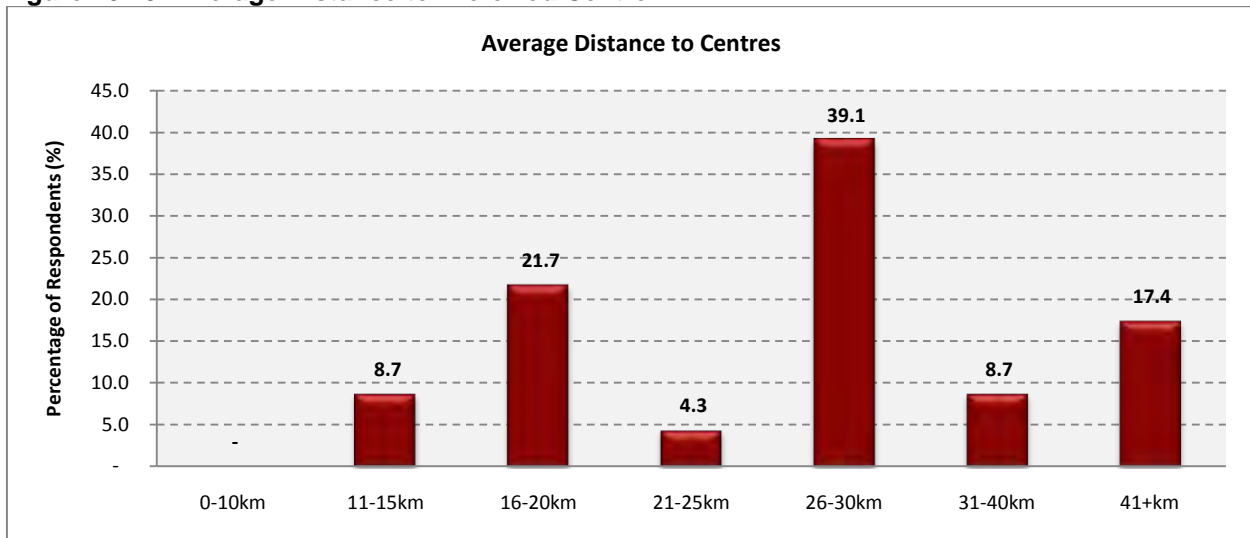
Source: Demacon Household Surveys, 2009

Table 10.5: Preferred Retail Centre Before Thula Plaza

	Centres	Areas
Groceries	Bushbuck Ridge Centre, Twin City (Bushbuck Ridge), Acornhoek Plaza, Twin City Blue Haze, Nelspruit Centres	Bushbuck Ridge, Acornhoek, Hazyview, Nelspruit
Top-up groceries	Acornhoek Plaza, Bushbuck Ridge Centre, Twin City Blue Haze, Twin City Bushbuck Ridge	Acornhoek, Bushbuck Ridge, Hazyview
Clothing /shoes /accessories	Nelspruit Centres, Bushbuck Ridge Centre, Twin City Blue Haze, Acornhoek Plaza, Twin City Bushbuck Ridge	Nelspruit, Bushbuck Ridge, Hazyview, Acornhoek
Furniture and home ware	Nelspruit Centres, Acornhoek Plaza, Bushbuck Ridge Centre, Twin City Hazyview, Twin City Bushbuck Ridge	Nelspruit, Acornhoek, Bushbuck Ridge, Hazyview
Hardware goods	Nelspruit Centres, Acornhoek Plaza, Bushbuck Ridge Centre, Twin City Hazyview, Twin City Bushbuck Ridge	Nelspruit, Acornhoek, Bushbuck Ridge, Hazyview
Gifts books and confectionary	Bushbuck Ridge Centre, Acornhoek Plaza, Twin City Bushbuck Ridge, Nelspruit Centres, Twin City Blue Haze	Bushbuck Ridge, Acornhoek, Nelspruit, Hazyview
Specialty / value goods	Nelspruit Centres, Acornhoek Plaza, Bushbuck Ridge Centre, Twin City Blue Haze, Twin City Bushbuck Ridge	Nelspruit, Acornhoek, Bushbuck Ridge, Hazyview
Entertainment	Nelspruit Centres, Bushbuck Ridge Centre, Acornhoek Plaza, Twin City Blue Haze	Nelspruit, Bushbuck Ridge, Acornhoek, Hazyview
Restaurants	Nelspruit Centres, Bushbuck Ridge Centre, Acornhoek Plaza, Twin City Blue Haze	Nelspruit, Bushbuck Ridge, Acornhoek, Hazyview
Personal care	Nelspruit Centres, Acornhoek Plaza, Bushbuck Ridge Centre, Twin City Bushbuck Ridge	Nelspruit, Acornhoek, Bushbuck Ridge, Hazyview
Services & other	Nelspruit Centres, Bushbuck Ridge Centre, Acornhoek Plaza, Twin City Blue Haze, Twin City Bushbuck Ridge	Nelspruit, Bushbuck Ridge, Acornhoek, Hazyview

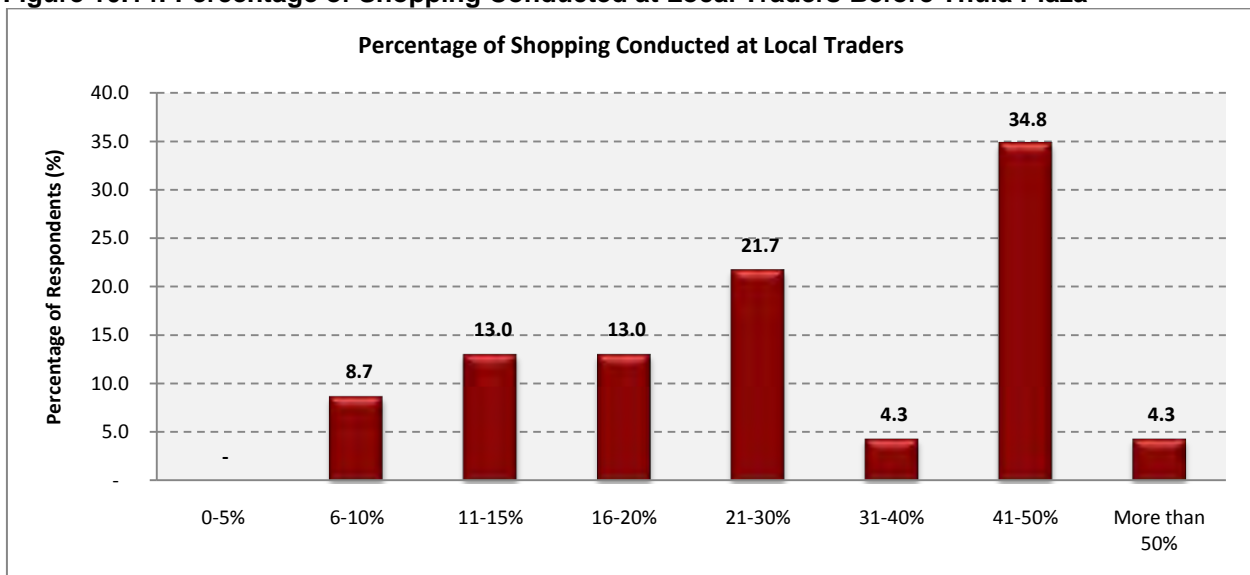
Source: Demacon Household Surveys, 2009

Figure 10.13: Average Distance to Preferred Centre



Source: Demacon Household Surveys, 2009

Figure 10.14: Percentage of Shopping Conducted at Local Traders Before Thula Plaza



Source: Demacon Household Surveys, 2009

Findings: (Figures 10.11 to 10.15 and Table 10.5)

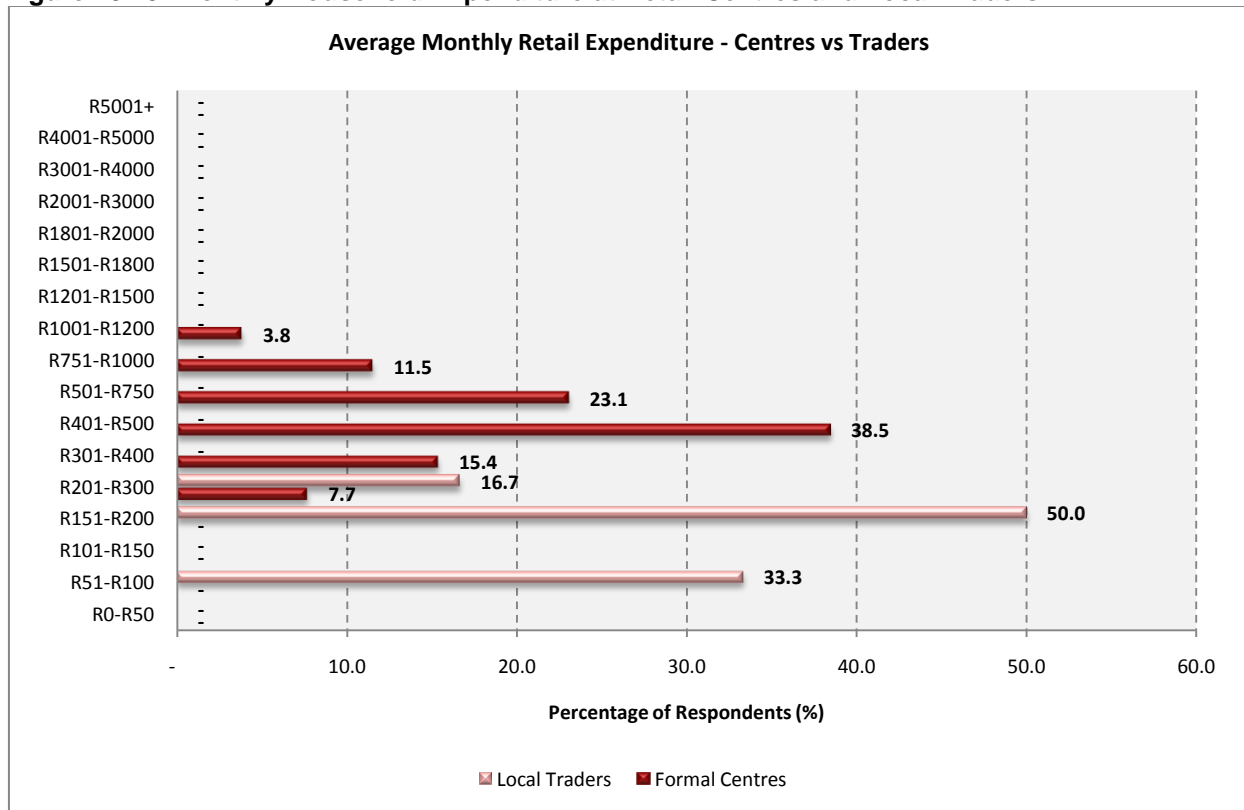
- ✓ Before Thula Plaza was developed the majority of respondents conducted their shopping in Bushbuck Ridge (31.0%), Hazyview (23.9%), Nelspruit (23.9%), Acornhoek (20.4%) and other areas (0.9%).
- ✓ Before Thula Plaza was developed approximately 50.8% (weighted average⁸⁵) of shopping was conducted outside of the local area.
- ✓ In terms of the preferred retail centres the following dominant centres featured: Bushbuck Ridge Centre, Twin City (Bushbuck Ridge), Acornhoek Plaza, Twin City Blue Haze and Nelspruit Centres.
- ✓ The dominant retail areas include Bushbuck Ridge, Acornhoek, Hazyview and Nelspruit.
- ✓ Before the development of Thula Plaza the average distance to supported retail centres was mostly between 26 and 30km (39.1%), followed by 26.1% of respondents indicating

⁸⁵ Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.

distances of more than 30km and 24.4% indicated distances of less than R26km. The average weighted distance amounted to **28.0km**⁸⁶.

- ✓ Respondents conducted between 41% and 50% (34.8%) of their shopping at local traders, 26% of respondents conducted between 20% and 40% of their shopping at local traders, 26% indicated that they conducted between 11% and 20% of shopping at local traders, 8.7% conducted between 5% and 10% of shopping at local traders. The average weighted percentage conducted at local traders amounted to **30.9%**.
- ✓ The majority of households spent between R300 and R1 000 a month at formal retail centres (88.51%), 7.7% of households spent less than R300 a month and 3.8% of households spent more than R1 000 a month. Average monthly household expenditure at formal retail centres amounted to **R534.2**.
- ✓ The majority of households spent between R151 and R200 a month at local traders (50.0%), 33.3% spent between R51 and R100 a month and 16.7% spent between R201 and R300 a month at local traders. The average monthly household expenditure at local traders amounted to **R154.67**.

Figure 10.15: Monthly Household Expenditure at Retail Centres and Local Traders



Source: Demacon Household Surveys, 2009

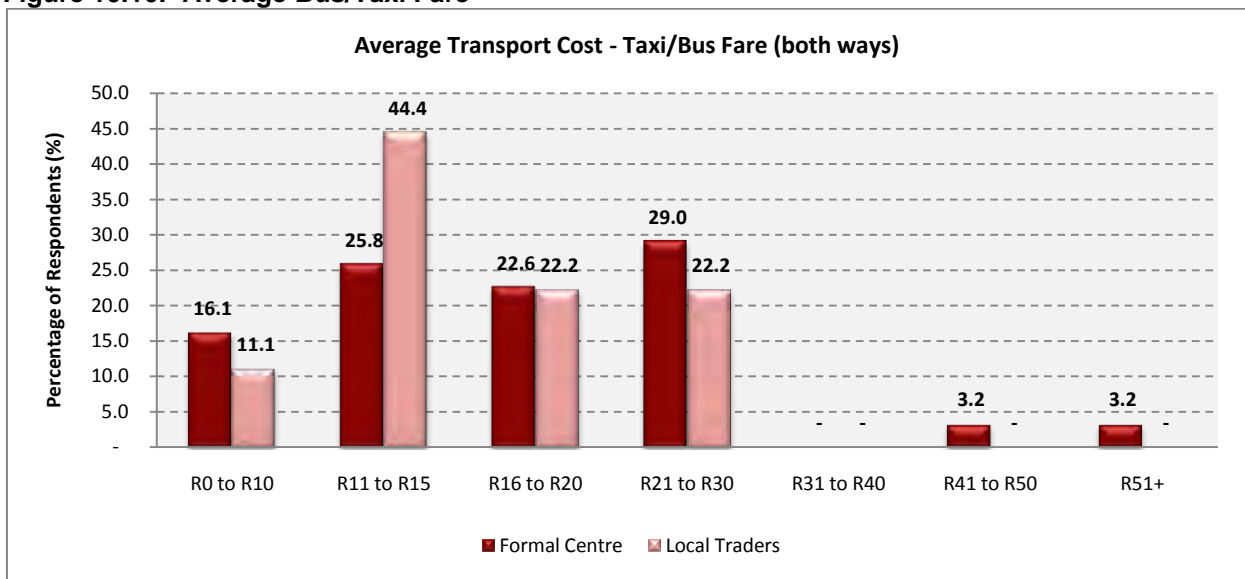
Findings: (Figures 10.16 to 10.17)

- ✓ The majority of households indicated that they spent between R21 and R30 for taxi/bus fares to the formal retail centres – 29.0%. This is followed by a large segment indicating transport fares of between R11 and R20 – 48.4%, and less than R10 – 16.1%. A small segment indicated transport fares exceeding R30 – 6.4%. The average weighted transport fare to formal retail centres amounted to **R19.5**.

⁸⁶ Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.

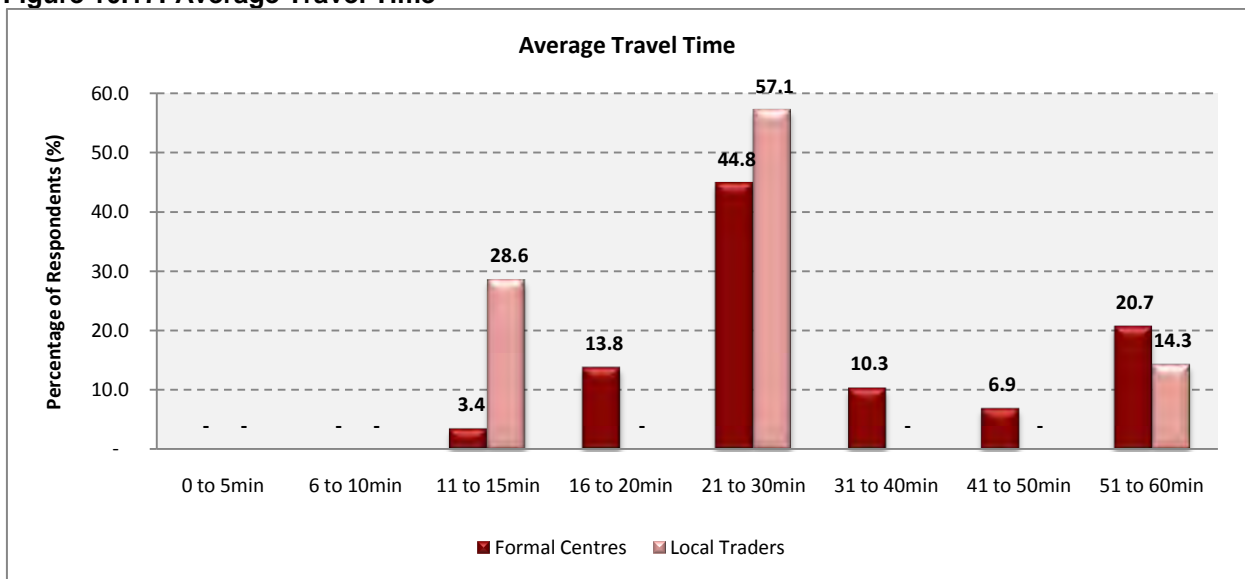
- ✓ Similar trends were observed with reference to travel fares to local traders. The average weighted transport fare to local traders amounted to **R16.0**.
- ✓ In terms of the average travel time the majority of respondents indicated a travel time of between 21 and 30 minutes to formal retail centres – 44.8%, a slightly smaller segment indicated travel times exceeding 30 minutes (37.9%) and a smaller segment indicated travel times between 11 and 20 minutes (17.2%). The weighted average travel time to formal retail centres amounted to **32.7 minutes**⁸⁷.
- ✓ The majority of respondents indicated that they travel for between 21 and 30 minutes to local traders (57.1%), this is followed by 28.6% of respondents indicating travel times of 11 to 15 minutes and 14.3% indicating travel times between 51 and 60 minutes. The weighted average travel time to local traders amounted to **26.2 minutes**.

Figure 10.16: Average Bus/Taxi Fare



Source: Demacon Household Surveys, 2009

Figure 10.17: Average Travel Time



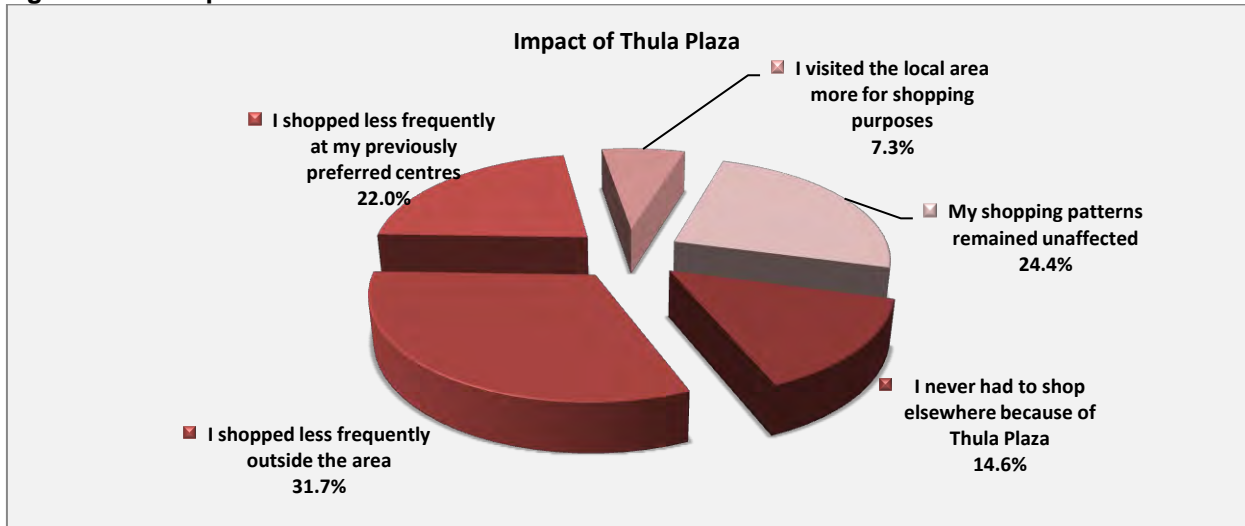
Source: Demacon Household Surveys, 2009

⁸⁷ Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.

10.4.3 CURRENT CONSUMER BEHAVIOUR

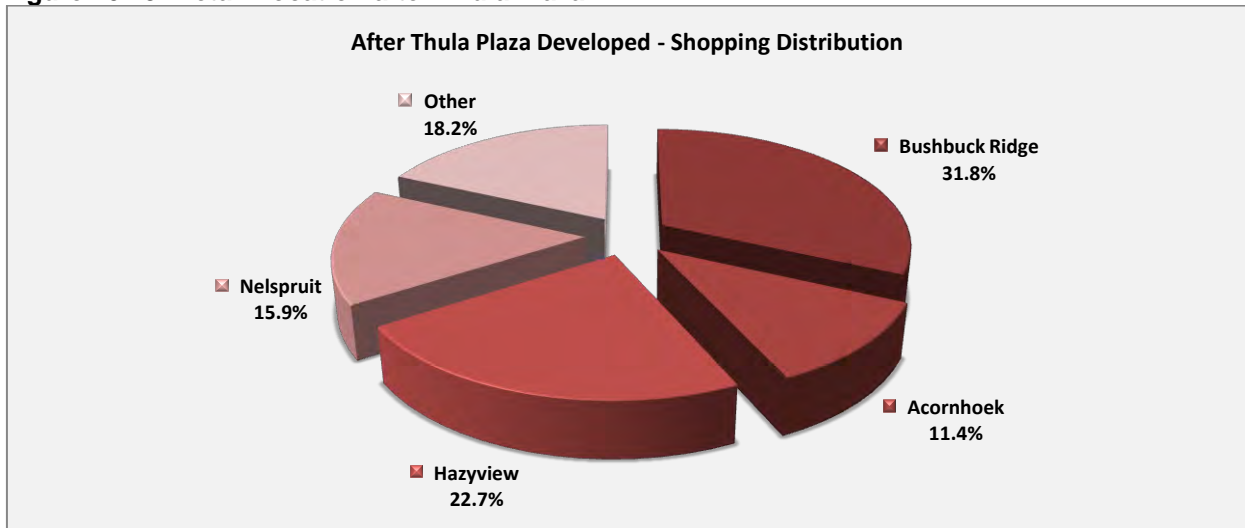
Subsequent paragraphs examine current consumer behaviour trends after the development of Thula Plaza. They focus on the impact that the development of the mall had on their consumer behaviour, retail destination, percentage of shopping now conducted outside the local area, impact on retail expenditure, monthly retail expenditure, monthly retail expenditure at Thula Plaza purchased at the mall, indication of commodities not available at the mall, changes in support for other areas, impact of the development of the mall on support towards local traders, average transport cost and travelling time, impact of transport costs on retail trips outside the area.

Figure 10.18: Impact of Thula Plaza on Consumer Behaviour



Source: Demacon Household Surveys, 2009

Figure 10.19: Retail Location after Thula Plaza



Source: Demacon Household Surveys, 2009

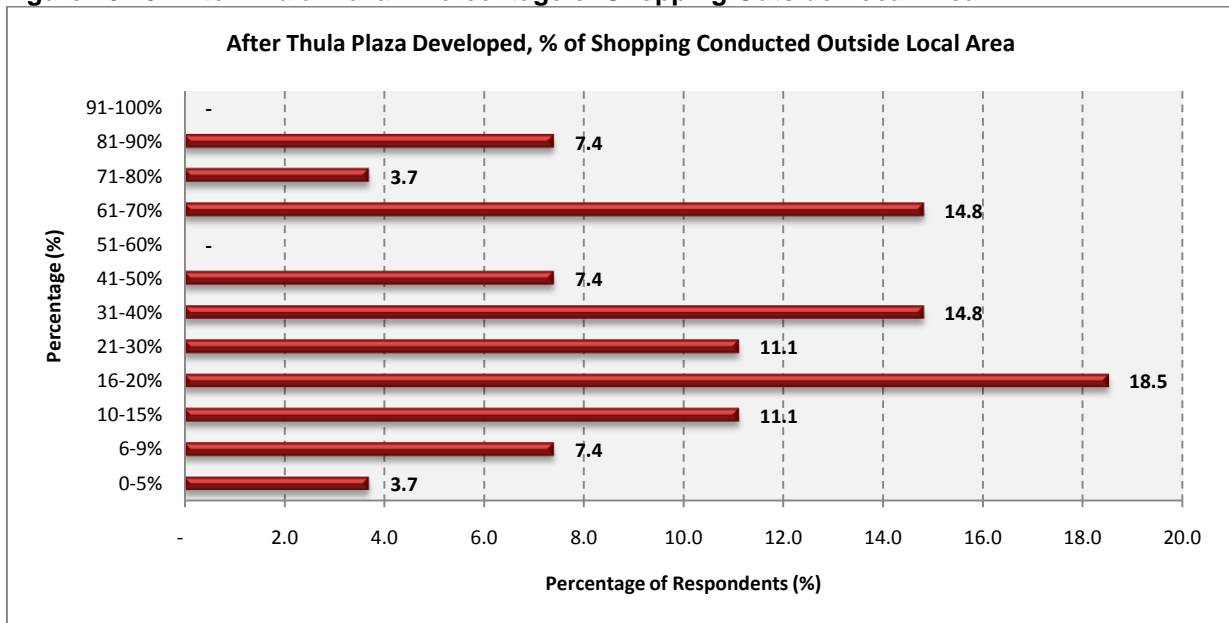
Findings: (Figures 10.18 to 10.21)

- ✓ The development of Thula Plaza had a positive impact on consumer behaviour – 31.7% indicated that they now shop less frequently outside of the area, 22.0% indicated that they shop less frequently at their previously preferred retail centres, 14.6% indicated that they never have to shop elsewhere and 7.3% indicated that they visit the area more for shopping purposes. A segment of 24.4% of respondents indicated that their shopping patterns have

remained unaffected. This reflects moderately high levels of consumer elasticity in the market.

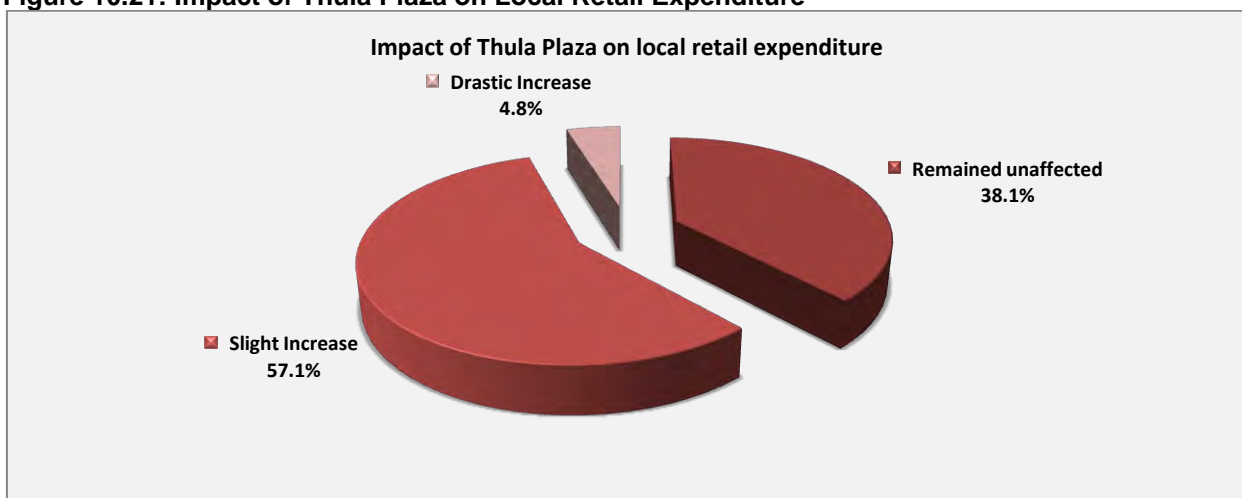
- ✓ The development of Thula Plaza also had a positive impact on respondents' shopping locations – 31.8% of shopping is done in Bushbuck Ridge, 22.7% in Hazyview, 18.2% in other areas, 15.9% in Nelspruit and 11.4% in Acornhoek.
- ✓ After the development of Thula Plaza, the percentage of shopping conducted outside of the local area declined to a weighted average of **35.7%**⁸⁸.
- ✓ The development of Thula Plaza had a slight impact on local retail expenditure (57.1%).
- ✓ A relatively large segment of respondents, however, indicated that the development of Thula Plaza had no impact on their local retail expenditure, whereas a small percentage of respondents (4.8%) indicated that the development of the mall had a drastic impact on their local retail expenditure.

Figure 10.20: After Thula Plaza – Percentage of Shopping Outside Local Area



Source: Demacon Household Surveys, 2009

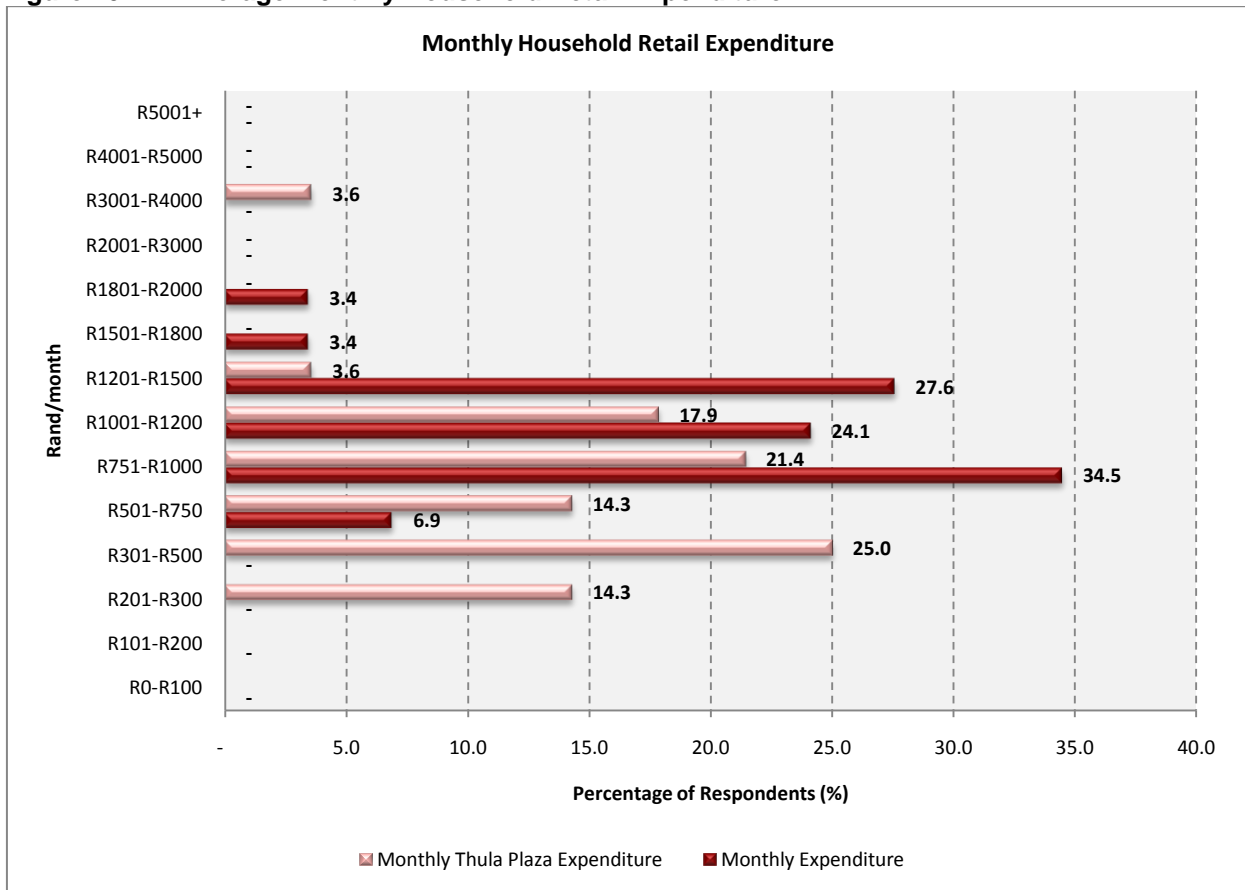
Figure 10.21: Impact of Thula Plaza on Local Retail Expenditure



Source: Demacon Household Surveys, 2009

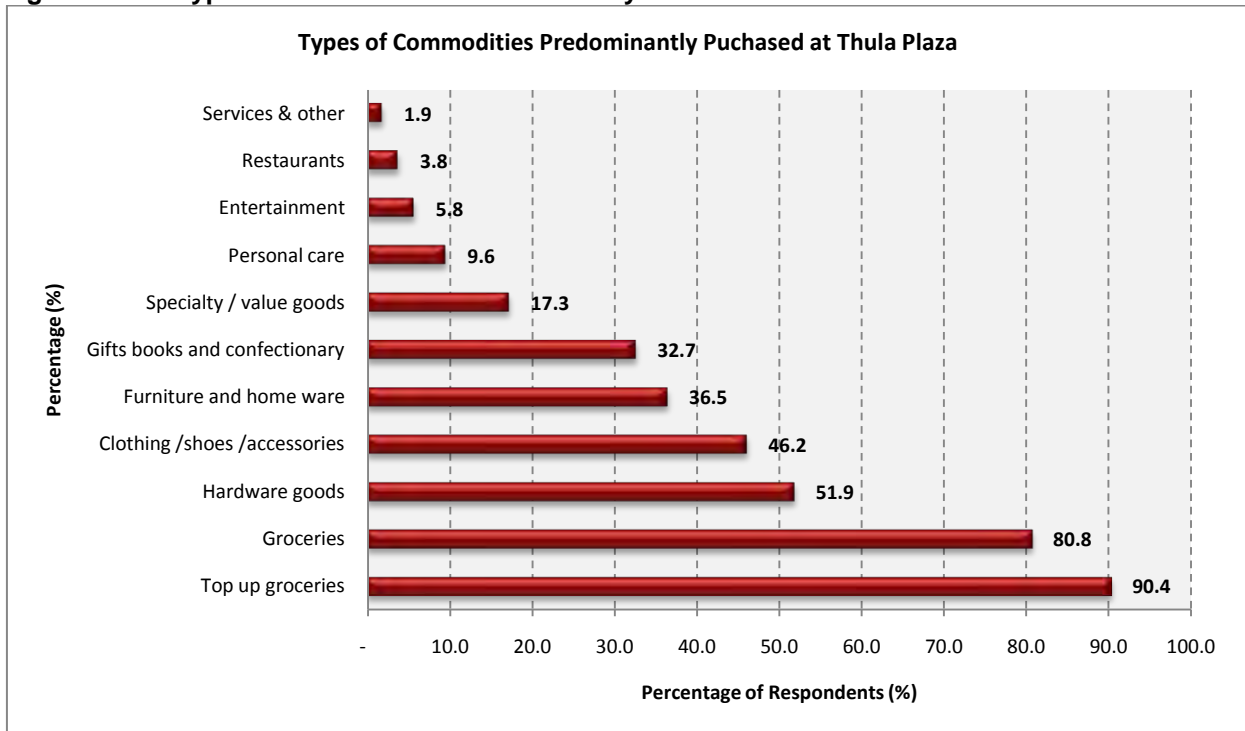
⁸⁸ Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.

Figure 10.22: Average Monthly Household Retail Expenditure



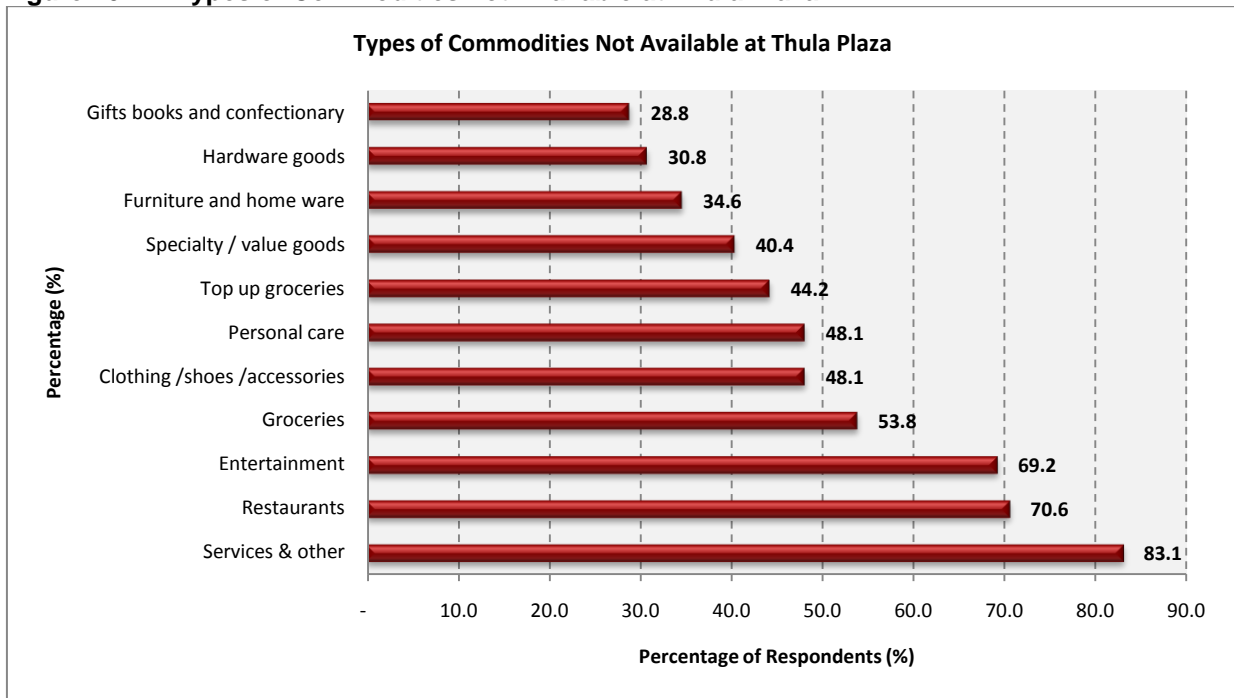
Source: Demacon Household Surveys, 2009

Figure 10.23: Type of Commodities Predominantly Purchased at Thula Plaza



Source: Demacon Household Surveys, 2009

Figure 10.24: Types of Commodities not Available at Thula Plaza



Source: Demacon Household Surveys, 2009

Figure 10.25: Preferred Retail Centres After Thula Plaza Development



Source: Demacon Household Surveys, 2009

Findings: (Figures 10.22 to 10.25)

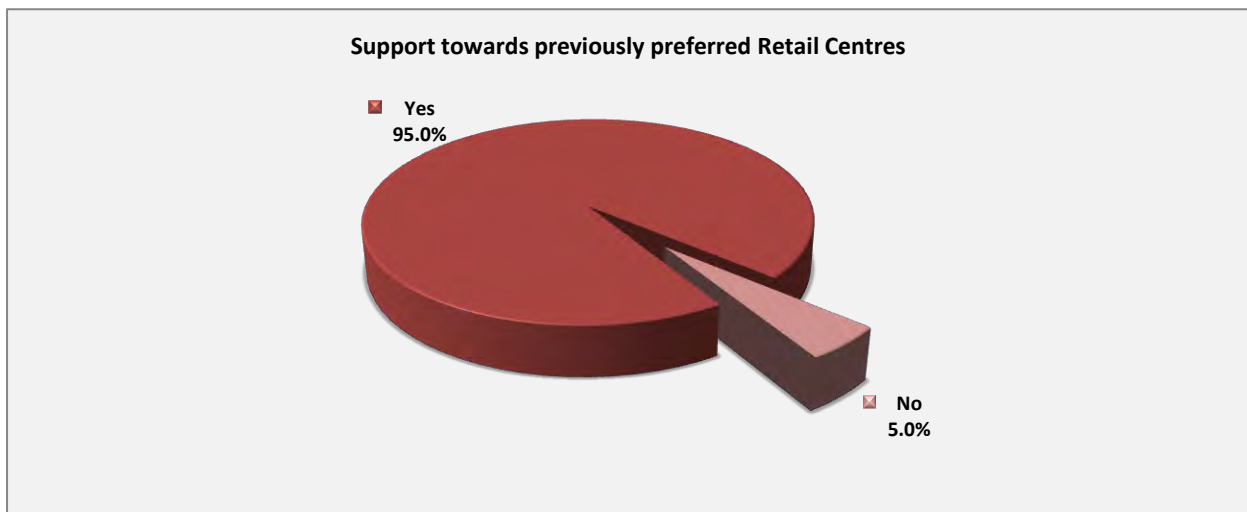
- ✓ The largest segment of households indicated that they spend between R751 and R1 500 on monthly shopping – 86.2%, this is followed by 6.9% indicating amounts below R750 and 6.8% indicating amounts above R1 500 a month. The average weighted amount spent on shopping is **R1 103.95⁸⁹**.
- ✓ The majority of respondents also indicated that they spend between R300 and R1 200 per month at Thula Plaza – 78.6%, supported by 14.3% indicating expenditures between R201

⁸⁹ Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.

and R300 a month and 7.2% indicating expenditure exceeding R1 200 per month. The average weighted monthly amount spent at Thula Plaza is **R782.64**.

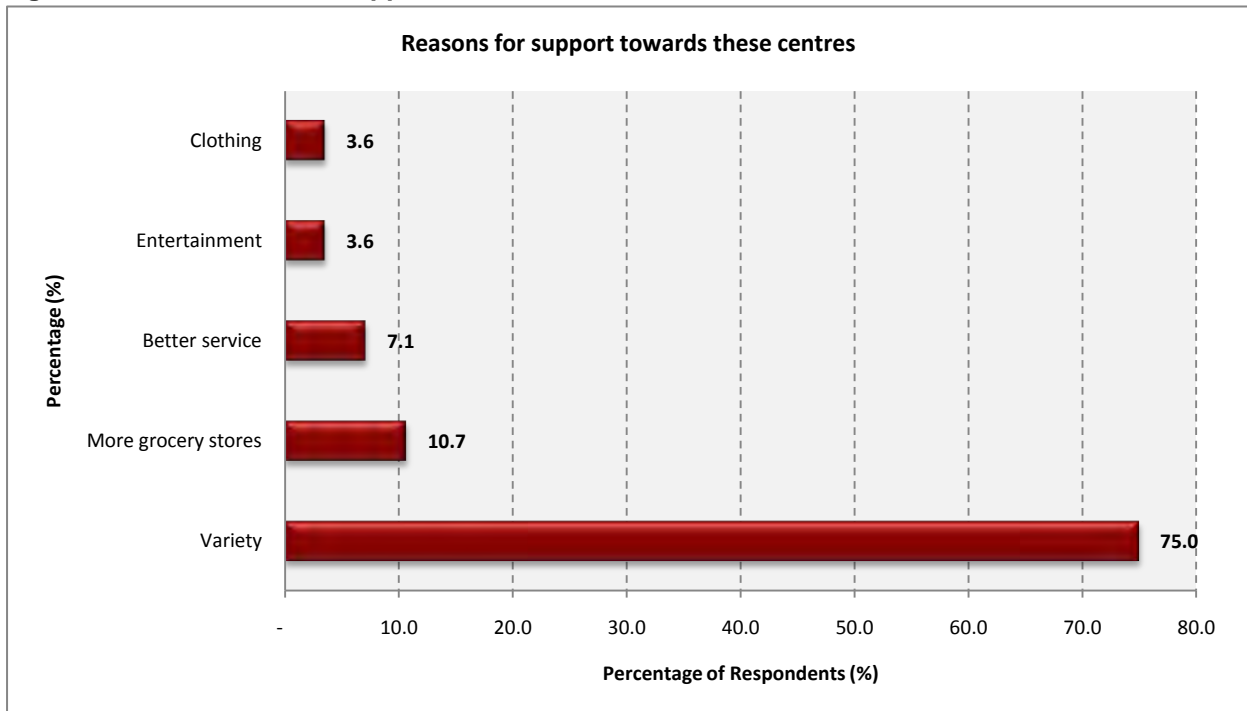
- ✓ In terms of the types of commodities predominantly purchased at Thula Plaza the following categories prevail: top-up and monthly groceries, hardware goods, clothing, shoes and accessories.
- ✓ In terms of the type of commodities not available at Thula Plaza the following categories prevail: services, restaurants, entertainment, groceries, clothing and personal care.
- ✓ Respondents also indicated their preferred retail centres after the development of Thula Plaza: Twin City Bushbuck Ridge, Twin City Blue Haze, Thula Plaza, Acornhoek Plaza, Nelspruit Centres, Bushbuck Ridge Shopping Centre, Hoedspruit Complex and Simunye Centre.

Figure 10.26: Since Development of Thula Plaza - Support for Previously Preferred Retail Centres



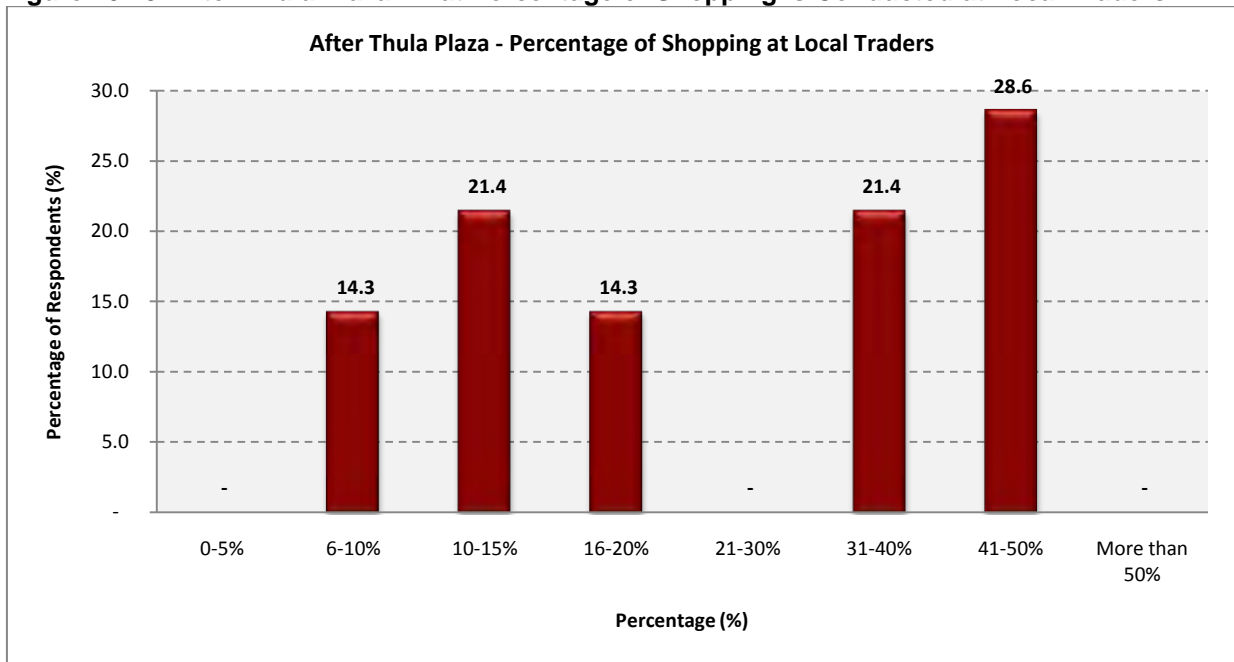
Source: Demacon Household Surveys, 2009

Figure 10.27: Reasons for Support Towards These Centres



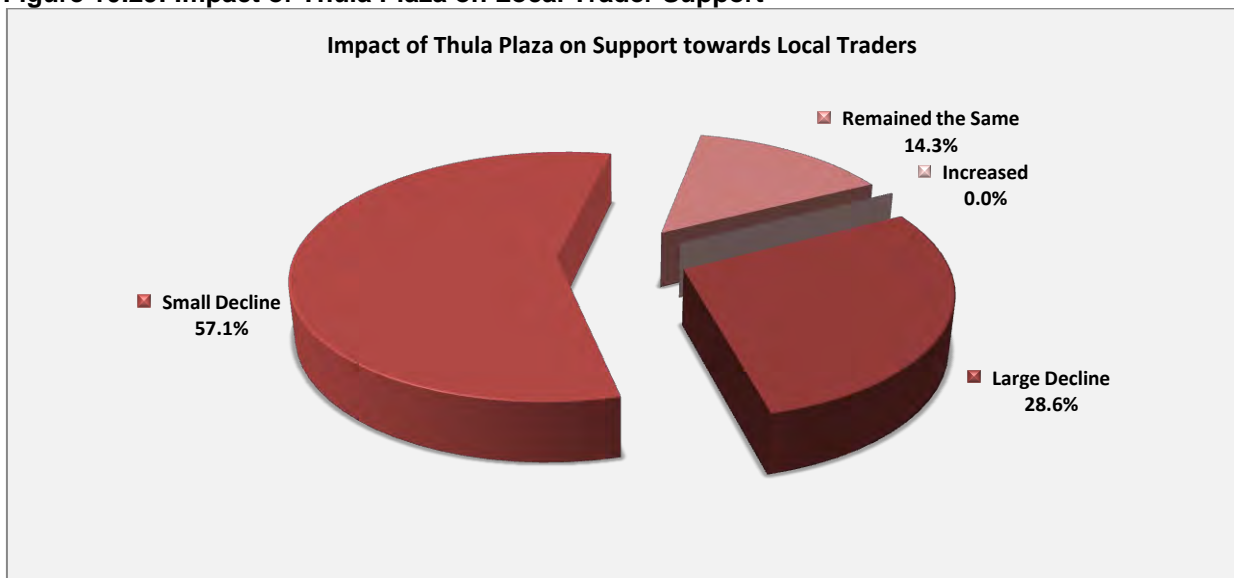
Source: Demacon Household Surveys, 2009

Figure 10.28: After Thula Plaza What Percentage of Shopping is Conducted at Local Traders



Source: Demacon Household Surveys, 2009

Figure 10.29: Impact of Thula Plaza on Local Trader Support



Source: Demacon Household Surveys, 2009

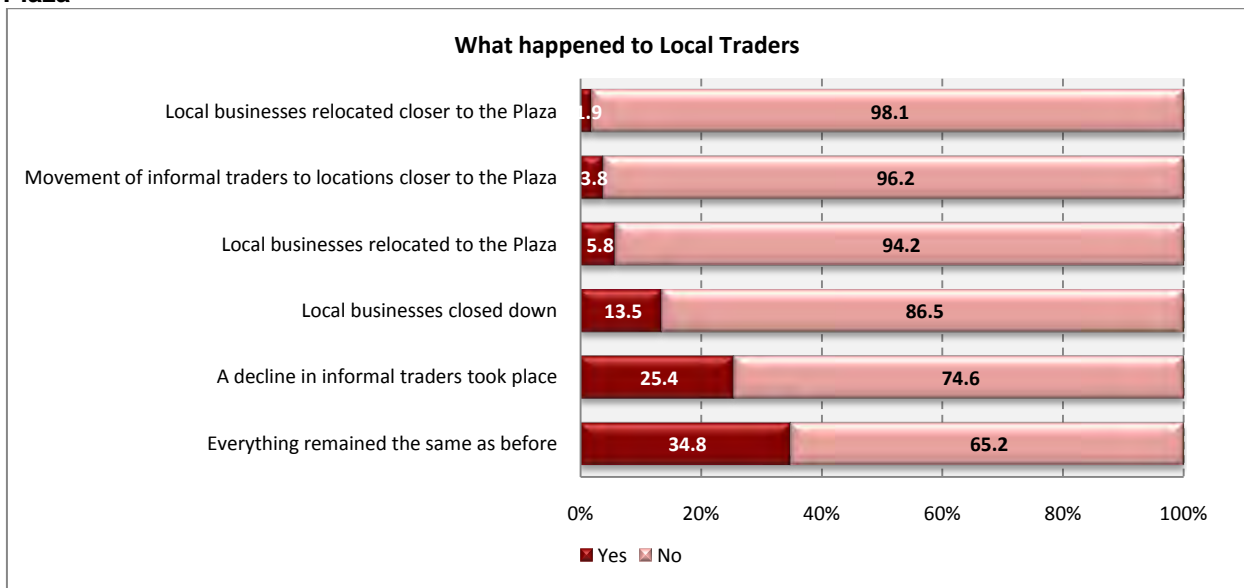
Findings: (Figures 10.26 to 10.30)

- ✓ 95.0% of respondents indicated that they still support their previously preferred retail centres after the development of Thula Plaza.
- ✓ The dominant reasons for respondents' continued support for previously preferred retail centres include greater variety, more grocery stores, better service, entertainment and clothing outlets.
- ✓ Since the development Thula Plaza, the majority of respondents conduct between 40% and 50% of shopping at local traders – 28.6%, this is followed by 21.4% indicating that they conduct between 30% and 40% of shopping at local traders, 14.3% conduct between 16% and 20% of shopping at local traders, 21.4% between 10% and 15% and 14.3% conduct

less than 15% of shopping at local traders. The weighted average⁹⁰ support for local traders amount to **27.0%**.

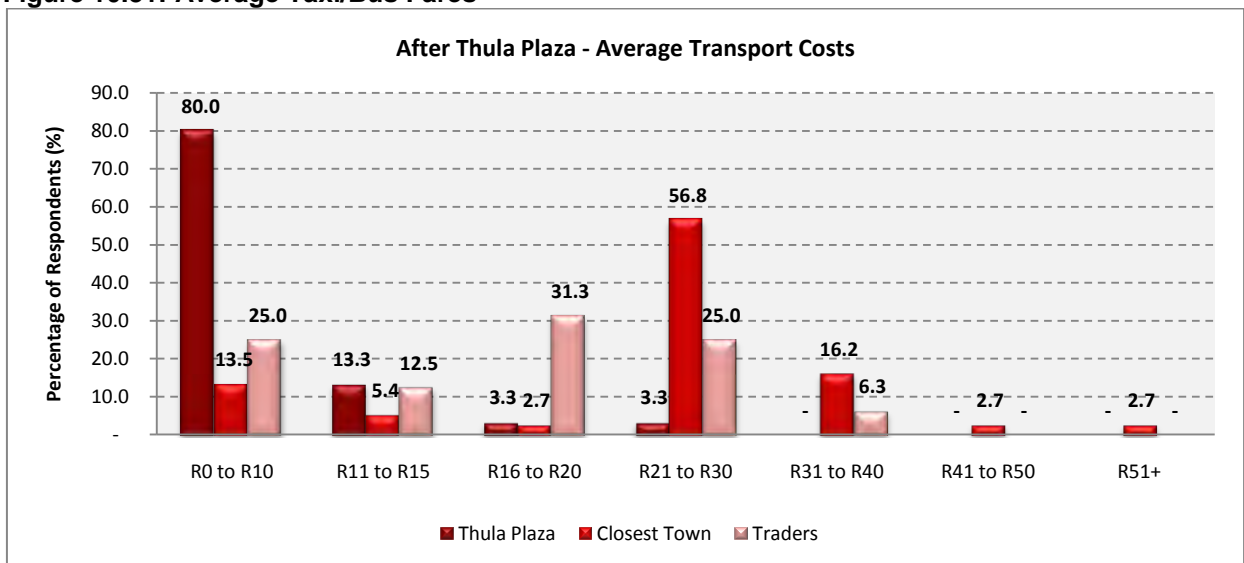
- ✓ Overall, the development of Thula Plaza has resulted in a slight decline in support for local traders (**57.1%**), followed by **28.6%** of respondents indicating a large decline, while 14.3% indicated that support remained the same.
- ✓ In terms of changes to the local trader environment the following were perceived:
 - 34.8% - everything remained the same;
 - 25.4% indicated a decline in informal traders;
 - 13.5% indicated a closure of local businesses;
 - 5.8% indicated a movement of local businesses to the mall;
 - 1.9% indicated a movement of local businesses closer to the mall;
 - 3.8% indicated a movement of informal traders to locations closer to the mall.

Figure 10.30: Perceived General Trends Pertaining to Local Traders After Development of Thula Plaza



Source: Demacon Household Surveys, 2009

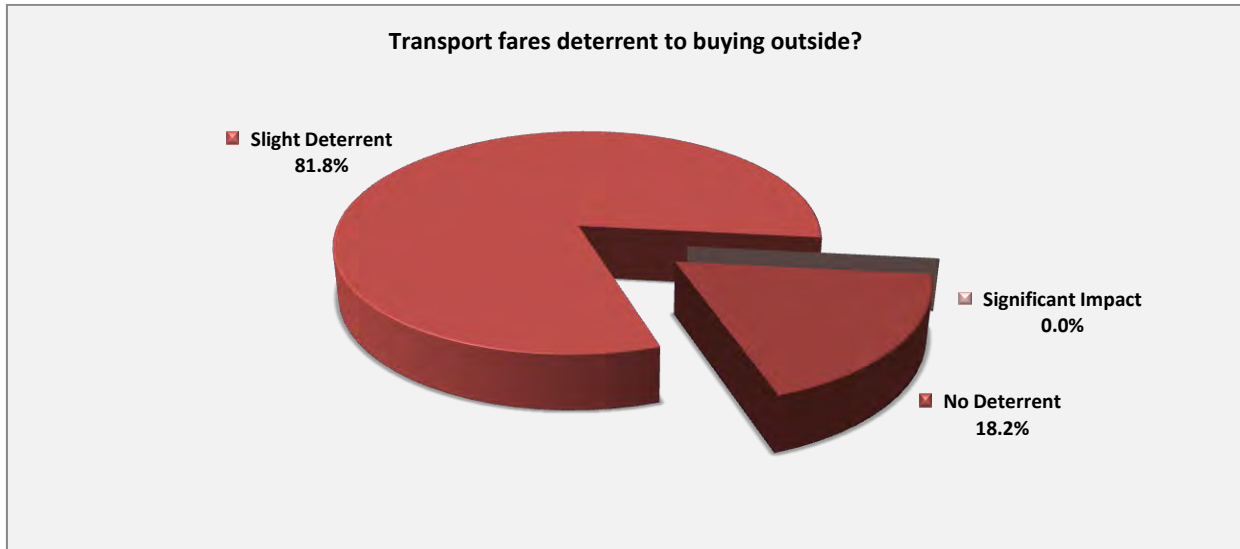
Figure 10.31: Average Taxi/Bus Fares



Source: Demacon Household Surveys, 2009

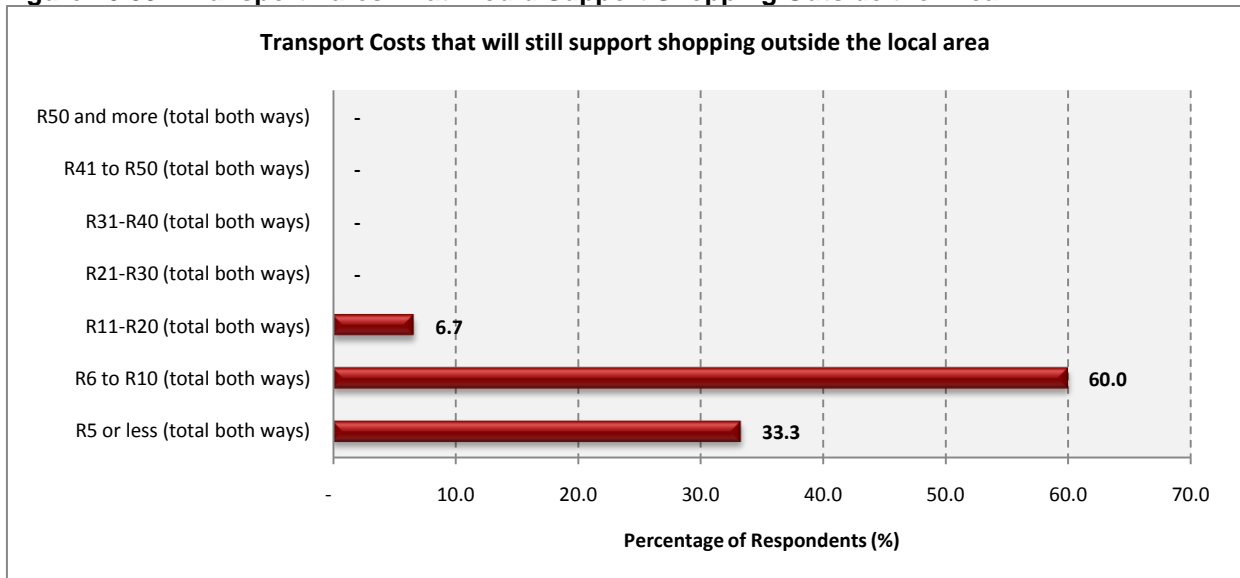
⁹⁰ Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.

Figure 10.32: To What Extent Do Higher Transport Fares Deter You From Buying Outside the Local Area?



Source: Demacon Household Surveys, 2009

Figure 10.33: Transport Fares That Would Support Shopping Outside the Area



Source: Demacon Household Surveys, 2009

Findings: (Figures 10.31 to 10.33)

- ✓ In terms of the travel fares to Thula Plaza, the majority of respondents pay less than R10 for a round trip – 80.0%, followed by 13.3% of respondents indicating that they pay between R11 and R15 for a round trip. The average weighted travel fare for a round trip to Thula Plaza is **R7.20⁹¹**.

It is important to note that the development of Thula Plaza had a positive impact on the cost of transport to formal retail centres. Before Thula Plaza 58.1% of respondents paid more than R15 taxi / bus fare to reach a formal retail centre. After the development of Thula Plaza this percentage declined to a mere 6.7%.

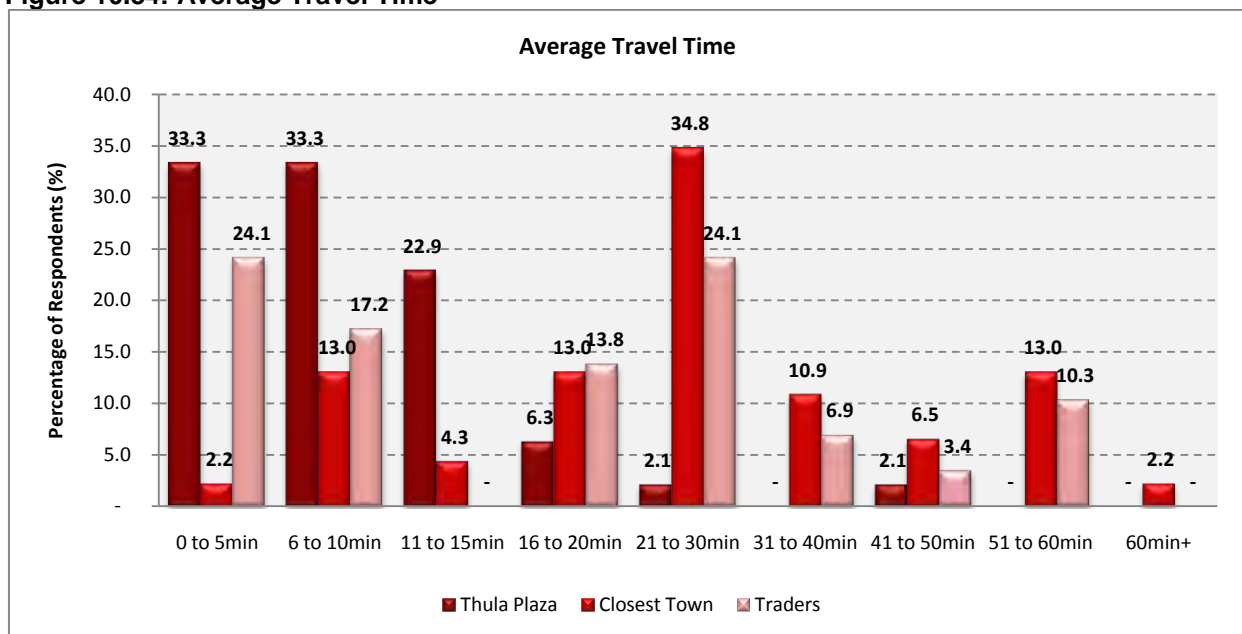
- ✓ In terms of travel fares to the closest town; the majority of respondents indicated that they pay between R21 and R30 for a round trip – 56.8%, followed by 21.6% indicating that they pay more than R30, while 21.6% indicated that they spend less than R20 for a round trip. The average weighted fares for a round trip to the closest town amount to **R25.40**.

⁹¹ Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.

- ✓ In terms of travel fares to local traders; the majority of respondents indicated that they pay between R16 and R30 for a round trip – 56.3%, followed by 37.5% indicating that they pay less than R15 and 6.3% indicating costs exceeding R30. The average weighted travel fares to local traders amounts to **R17.10**.
- ✓ The majority of respondents indicated that transport fares represent a slight deterrent to their retail expenditure outside of the area – **81.8%**. A small segment of 18.2% indicated that they represent no deterrent at all and none indicated that they represent a significant deterrent to their retail expenditure outside of the local area.
- ✓ The majority of respondents indicated that for transport fares of less than R10 for a round trip they would support shopping outside the area – 93.3%. This is followed by 6.7% of respondents indicating an amount between R11 and R20.

Overall, it is evident that transport fares in themselves do not represent a dominant determining factor as to whether people will conduct retail expenditure outside of the local area. Increased transport costs of 10% will not necessarily result in a 10% increase in local retail expenditure. In general consumers are willing to pay higher transport fares to reach larger centres such as a CBD with a wider product offering. Say, for example, they are willing to pay R10 to reach a larger retail centre (double the transport fares to a closer smaller retail centre), however, they will reconsider this retail location preference if transport fares escalates to R30 for a round trip. Overall, it is therefore evident that transport fares do not represent the dominant retail location factor, but that local product offering and critical mass are more important.

Figure 10.34: Average Travel Time



Source: Demacon Household Surveys, 2009

Findings: (Figure 10.34)

- ✓ The average travel time to Thula Plaza – the largest segment of respondents indicated travel times of fewer than 10 minutes – 66.6%, followed by 22.9% of respondents indicating travel times between 11 and 15 minutes and 4.27% indicating travel times between 21 and 50 minutes. The average weighted travel time to Thula Plaza amounts to **9.1 minutes**⁹².

It is important to note that the development of Thula Plaza had a positive impact on travel times to formal retail centres. Before Thula Plaza only 3.4% of respondents travelled for

⁹² Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.

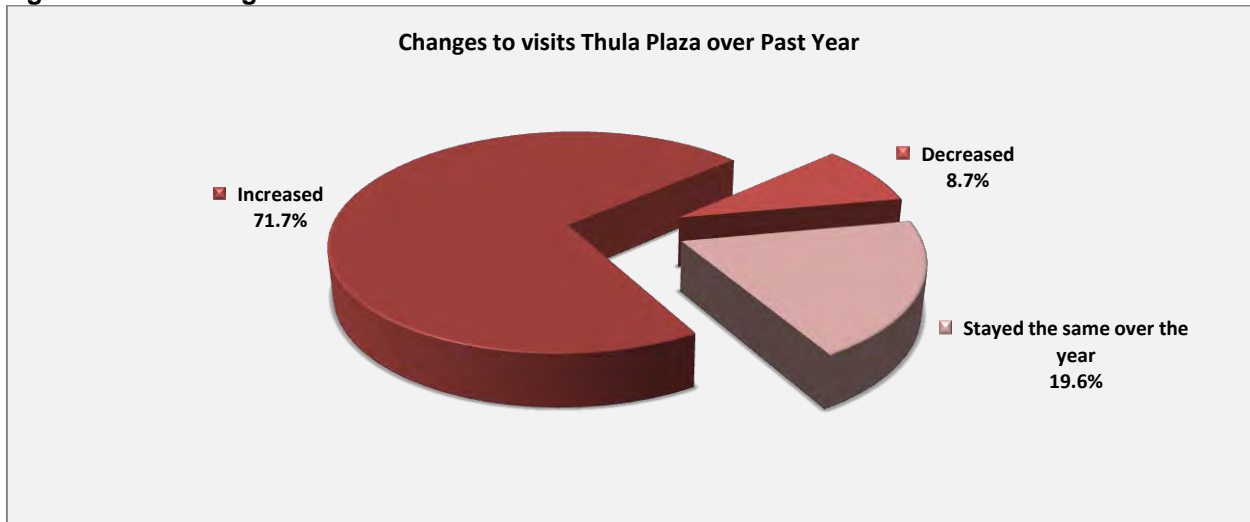
fewer than 15 minutes to a formal retail centre. After the development of Thula Plaza this percentage increased to a total of 89.5%.

- ✓ The majority of respondents indicated average travel times of 21 to 30 minutes to the closest town – 34.8%, this is followed by 32.6% indicating travel times exceeding 30 minutes and 32.6% indicating travel times shorter than 20 minutes. The average weighted travel time to reach the closest town amount to **28.3 minutes**.
- ✓ The majority of respondents indicated average travel times shorter than 10 minutes to reach local traders – 41.3%, this is followed by 58.7% indicating travel times exceeding 10 minutes. The average weighted travel time amounts to **21.4 minutes**.

10.4.4 FREQUENCY OF VISITS AND DWELL TIME

Subsequent paragraphs provide information on the changes in visits to Thula Plaza over the past year, the main purpose of visits to Thula Plaza, the time preferred to conduct shopping and entertainment and average dwell time on a typical visit.

Figure 10.35: Changes to Visits Over Past Year



Source: Demacon Household Surveys, 2009

Figure 10.36: Main Purpose for Visiting Thula Plaza

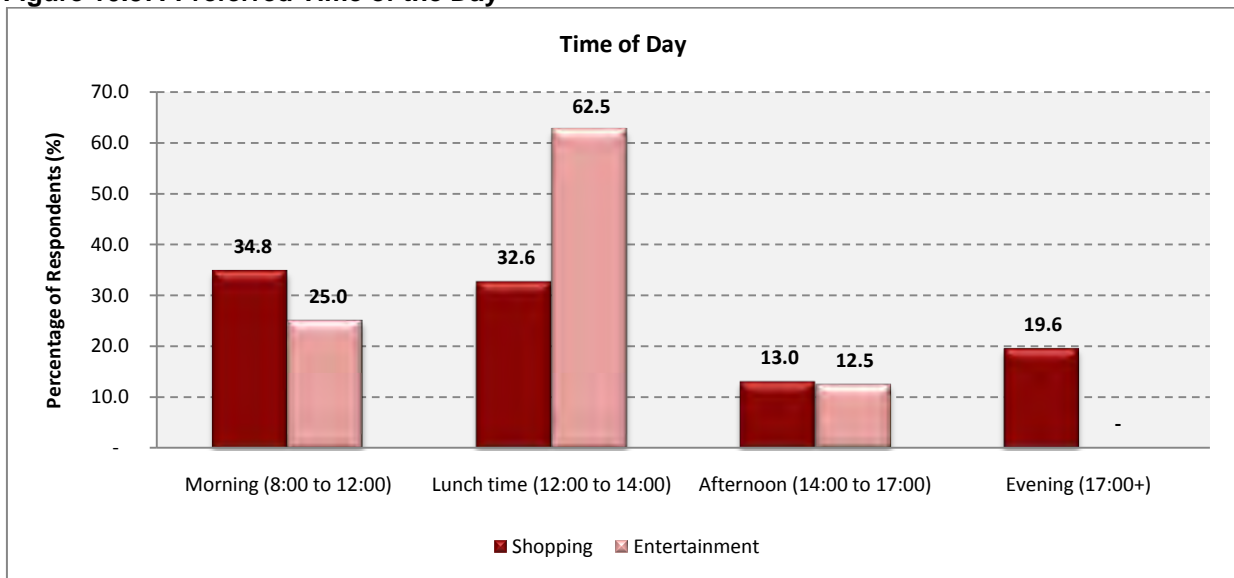


Source: Demacon Household Surveys, 2009

Findings: (Figures 10.35 to 10.38)

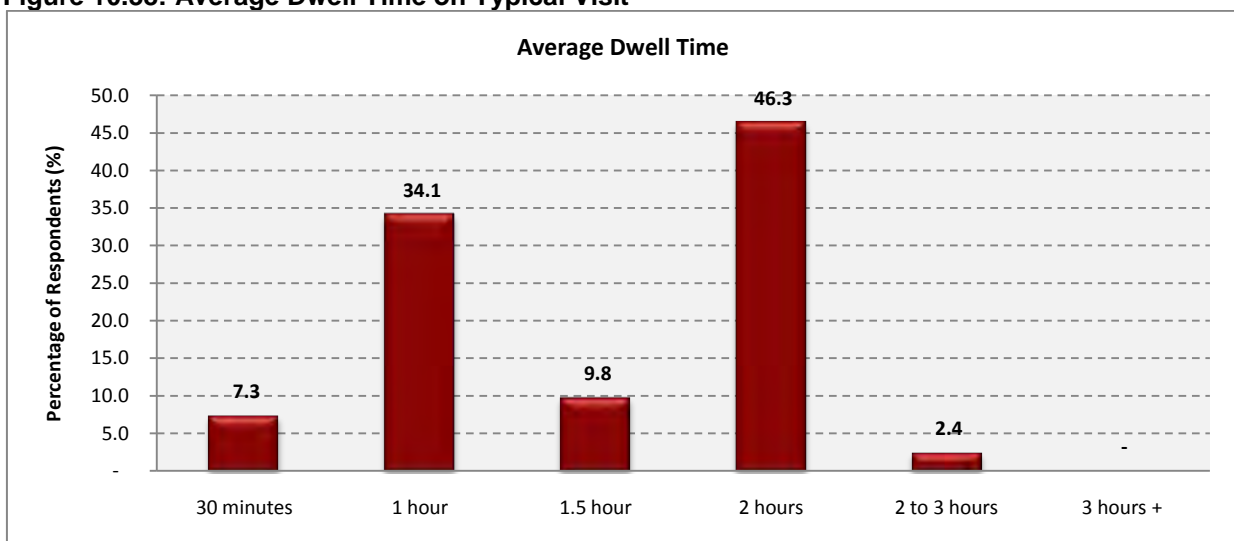
- ✓ The majority of respondents indicated that their visits to Thula Plaza have increased over the past year – 71.1%, 19.6% indicated that their visits remained the same and a small segment of 8.7% indicated that they declined.
- ✓ The main purpose for visiting Thula Plaza is for visits to specific shops – 41.0%, followed by general shopping (39.7%), banking and financial services (15.4%) and a small percentage work in the centre (3.8%).
- ✓ The preferred time of the day to shop at the mall is over during the morning (34.8%) and over lunch time (32.6%), a segment also prefers to shop in the afternoon and evenings (32.6%).
- ✓ The preferred time of the day to visit the centre for entertainment is over lunch time (62.5%), in the morning (25.0%) and afternoon (12.5%) .
- ✓ The average dwell time is mainly two hours – 46.3%, followed by 34.1% indicating dwell times of one hour, 9.8% indicated average dwell times of 1.5 hours, 7.3% half an hour and 2.4% more than two hours.

Figure 10.37: Preferred Time of the Day



Source: Demacon Household Surveys, 2009

Figure 10.38: Average Dwell Time on Typical Visit

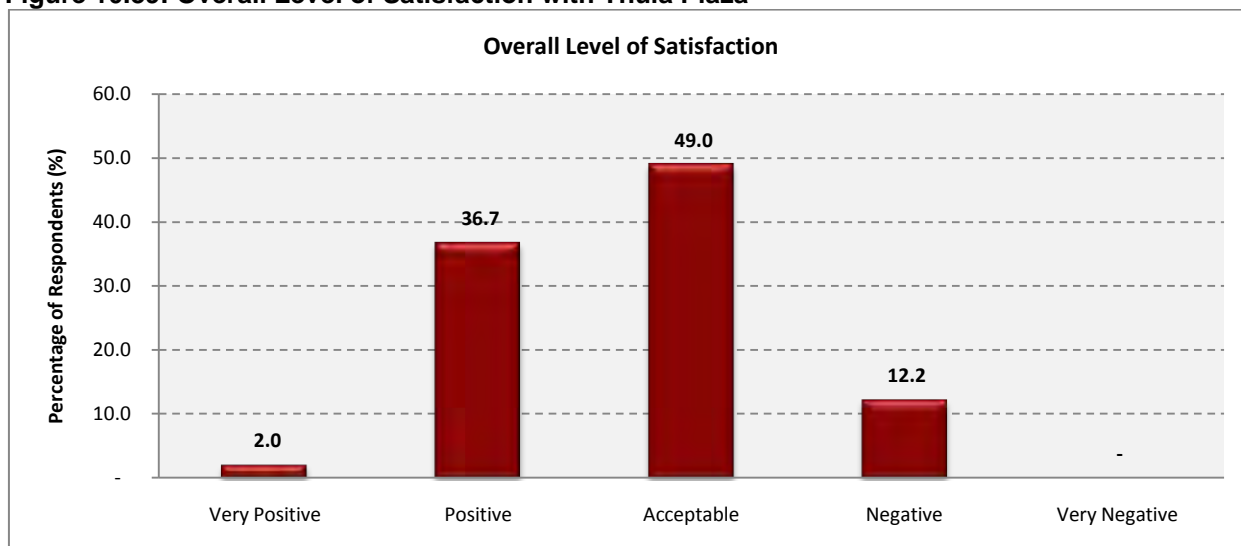


Source: Demacon Household Surveys, 2009

10.4.5 SATISFACTION WITH THULA PLAZA

Subsequent paragraphs rate the overall level of satisfaction in terms of a list of centre aspects, supported by an indication of aspects that should be addressed to attract more consumers. They also look at provision made for informal trade.

Figure 10.39: Overall Level of Satisfaction with Thula Plaza



Source: Demacon Household Surveys, 2009

The majority of respondents indicated that they regard Thula Plaza as an acceptable retail centre (49.0%), supported by 38.7% of respondents indicating that they are satisfied to more than satisfied with the mall, while 12.2% indicated that they unsatisfied with the mall.

Table 10.6: Rating of Thula Plaza Elements

	Rating					Total
	1	2	3	4	5	
TENANT MIX						
Overall image of the centre	2.0	27.5	25.5	33.3	11.8	100.0
Variety of stores	16.3	36.7	28.6	18.4	-	100.0
Presence of local stores/tenants	11.4	29.5	29.5	27.3	2.3	100.0
Presence of national tenants	8.5	29.8	31.9	29.8	-	100.0
Location of stores in relation to each other	8.9	33.3	26.7	31.1	-	100.0
Clothing store selection and availability	11.4	31.8	36.4	20.5	-	100.0
Convenience services selection and availability	6.3	34.4	37.5	18.8	3.1	100.0
Books / cards / stationery shop selection and availability	12.5	25.0	46.9	12.5	3.1	100.0
Entertainment and restaurant selection and availability	33.3	31.0	28.6	7.1	-	100.0
Health and beauty selection and availability	16.7	30.6	36.1	13.9	2.8	100.0
Home furnishing and furniture selection and availability	2.9	41.2	32.4	20.6	2.9	100.0
Bank / ATM location and selection	7.5	7.5	25.0	42.5	17.5	100.0
Availability and selection of speciality shops	-	22.6	45.2	22.6	9.7	100.0
PARKING AND ACCESS						
Convenience of the centre's location within the area	3.4	3.4	37.9	31.0	24.1	100.0
Transport to the centre	19.0	33.3	14.3	23.8	9.5	100.0
Link to public transport – taxi/bus ranks	21.1	21.1	31.6	15.8	10.5	100.0
Accessibility of parking	2.6	21.1	36.8	26.3	13.2	100.0
Adequacy of parking	-	28.6	40.0	17.1	14.3	100.0
Ease of access to the entrance of the centre from parking	2.9	11.8	52.9	17.6	14.7	100.0
FACILITIES						
Adequacy / quality of bathroom facilities	6.8	6.8	22.7	40.9	22.7	100.0
Adequacy of disability facilities	8.1	2.7	27.0	40.5	21.6	100.0
Availability of information kiosks and staff	-	16.7	25.0	36.1	22.2	100.0
Sufficiency of lifts / escalators	3.0	12.1	27.3	36.4	21.2	100.0
Availability of mall layout plans and centre signage	3.0	-	24.2	48.5	24.2	100.0
CLEANING						
The overall cleanliness of the centre	3.9	5.9	13.7	39.2	37.3	100.0
MAINTENANCE						

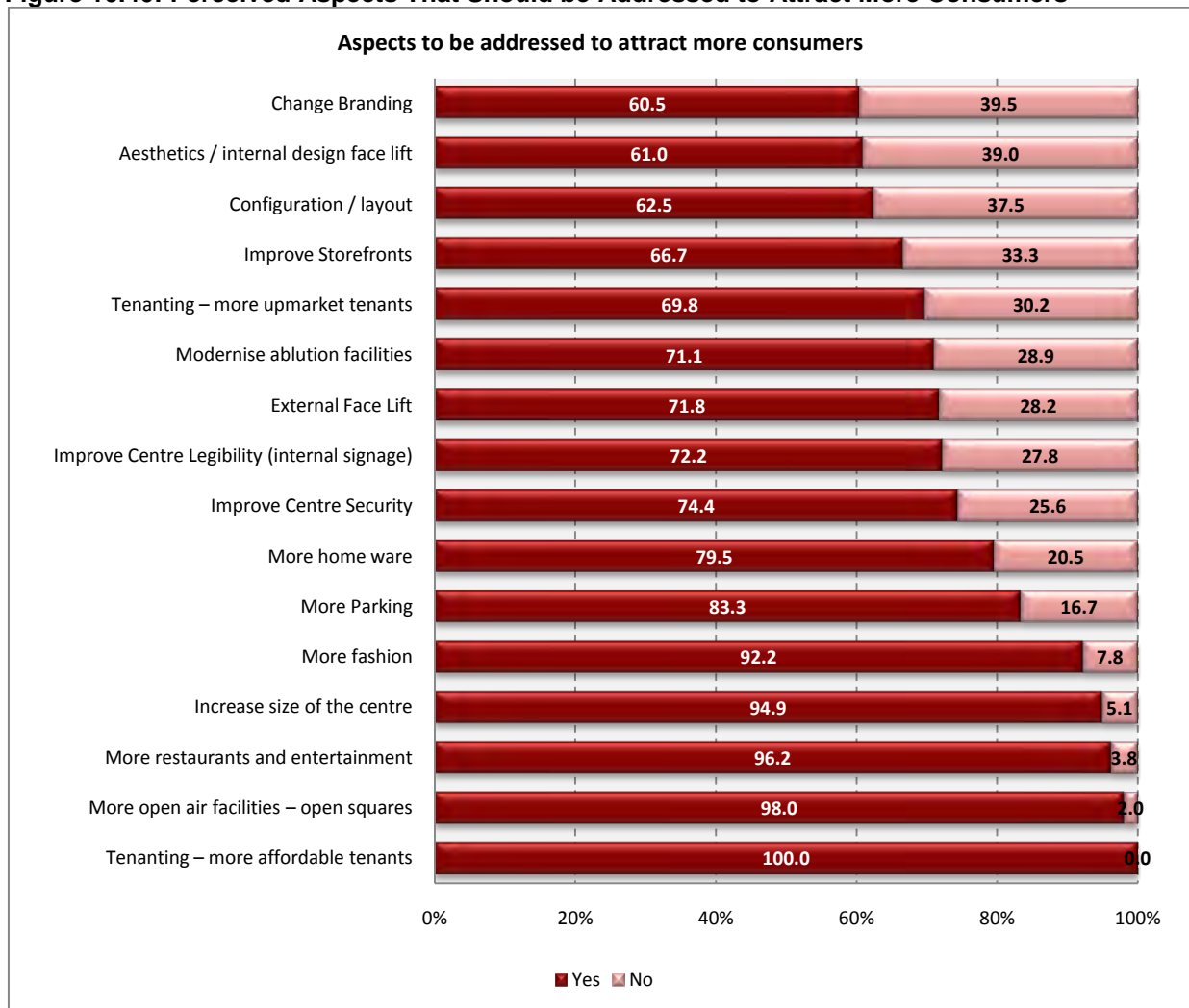
	Rating					Total
	1	2	3	4	5	
The overall maintenance of the centre	2.2	-	30.4	32.6	34.8	100.0
SECURITY						
Safety in the shopping centre and parking area	-	4.1	14.3	51.0	30.6	100.0
LANDSCAPING AND AESTHETICS						
Overall design and features of the centre	4.8	2.4	16.7	38.1	38.1	100.0

Source: Demacon Household Surveys, 2009

Findings: (Table 10.6)

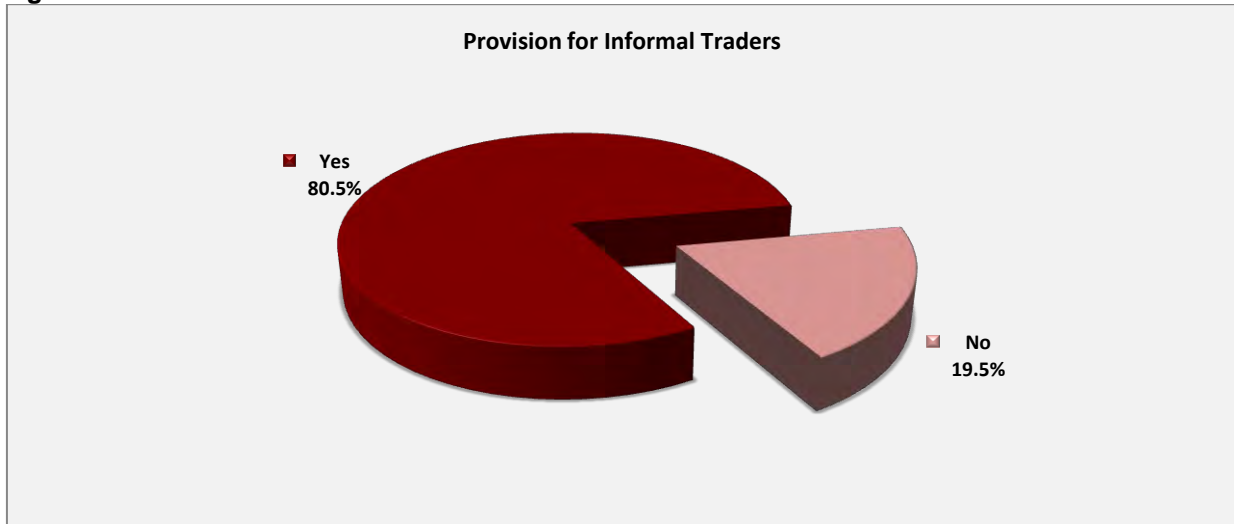
- ✓ It is evident that the majority of tenants are generally satisfied with the tenant mix of the centre, rating it as acceptable. However, aspects that could be improved include the variety of stores, the presence of local stores, the location of stores in relation to one another, entertainment and restaurants and home furnishes and furnishing selection and availability.
- ✓ The majority of respondents also rated the parking facilities as acceptable – although transport to the centre could be addressed.
- ✓ In terms of public facilities, the majority of respondents rated these as good.
- ✓ The overall cleanliness, maintenance, landscaping and aesthetics of the mall are rated as good to excellent by the majority of respondents.

Figure 10.40: Perceived Aspects That Should be Addressed to Attract More Consumers



Source: Demacon Household Surveys, 2009

Figure 10.41: Provision Made for Informal Traders



Source: Demacon Household Surveys, 2009

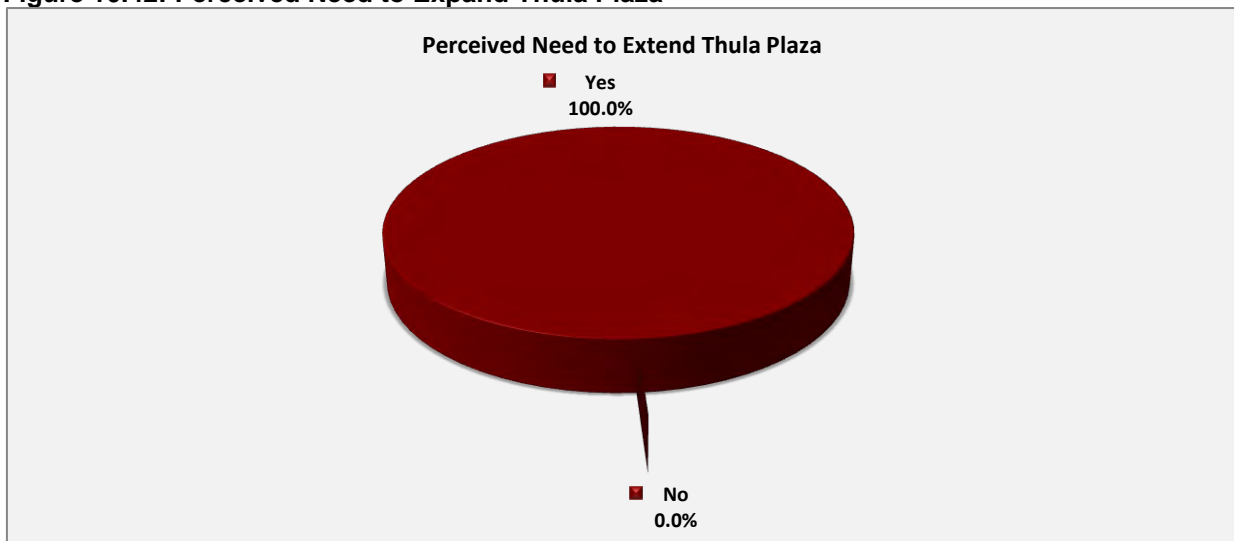
Findings: (Figures 10.40 and 10.41)

- ✓ The dominant perceived aspects that should be addressed include:
 - More affordable tenants;
 - More open air facilities;
 - More restaurants and entertainment;
 - Increase the size of the centre;
 - More fashion;
 - More parking;
 - More homeware;
 - Improve security;
 - Improve centre legibility.
- ✓ The majority of respondents also indicated that provision is made for informal traders.

10.4.6 NEED TO EXPAND THULA PLAZA

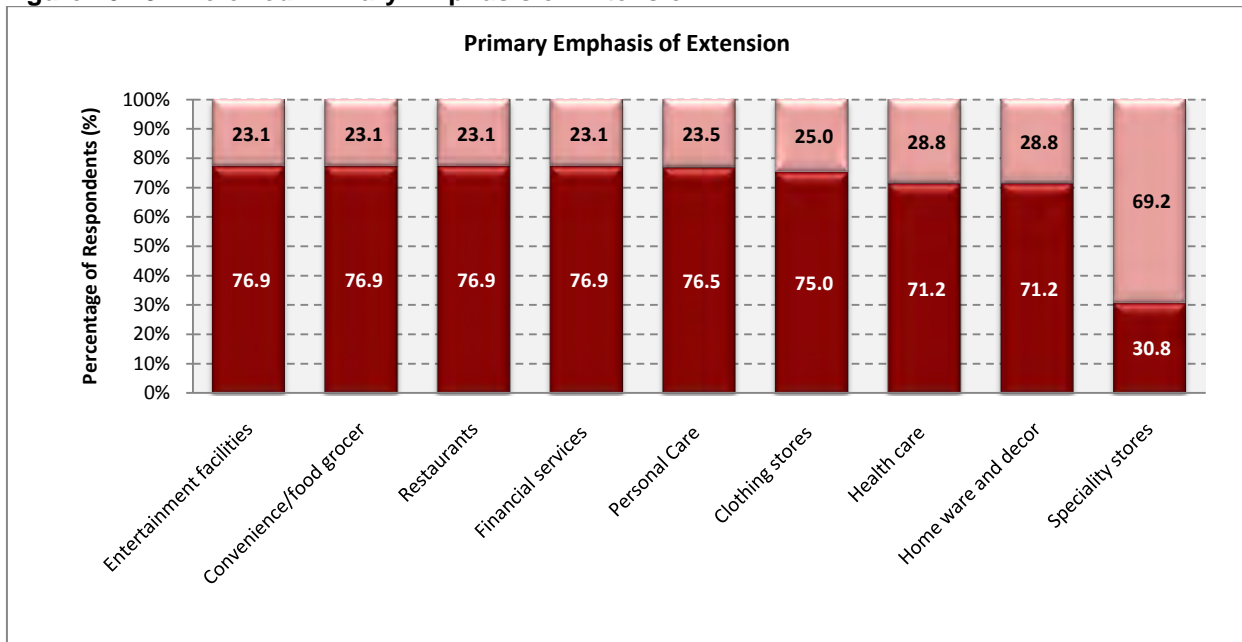
Consumers indicated the perceived need to expand Thula Plaza, showing the primary emphasis of the extension.

Figure 10.42: Perceived Need to Expand Thula Plaza



Source: Demacon Household Surveys, 2009

Figure 10.43: Preferred Primary Emphasis of Extension



Source: Demacon Household Surveys, 2009

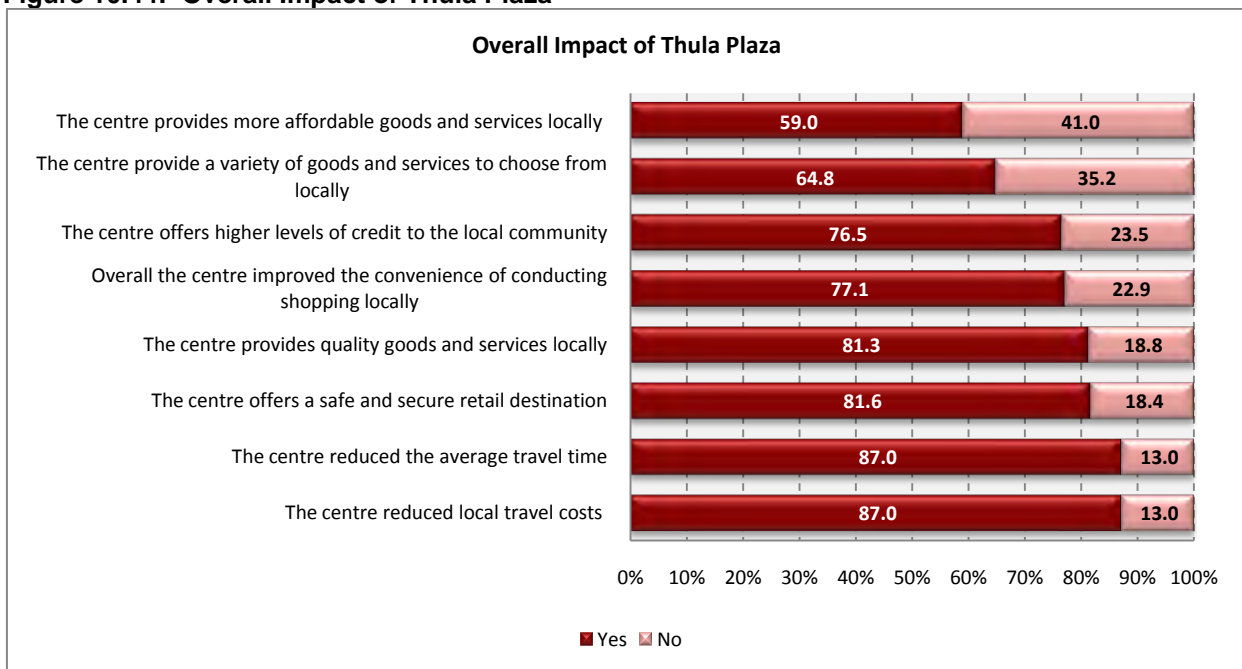
Findings: (Figures 10.42 and 10.43)

- ✓ The majority of respondents reflected a definite perceived need to extend Thula Plaza – **100.0%**
- ✓ The preferred primary emphasis of this extension should be on entertainment, convenience/food grocer, restaurants, financial services, personal care and clothing stores.

10.4.7 OVERALL IMPACT THULA PLAZA

Consumers gave feedback the overall impact that the development of Thula Plaza had locally.

Figure 10.44: Overall Impact of Thula Plaza



Source: Demacon Household Surveys, 2009

Findings: (Figure 10.44)

The development of Thula Plaza resulted in the following dominant impacts:

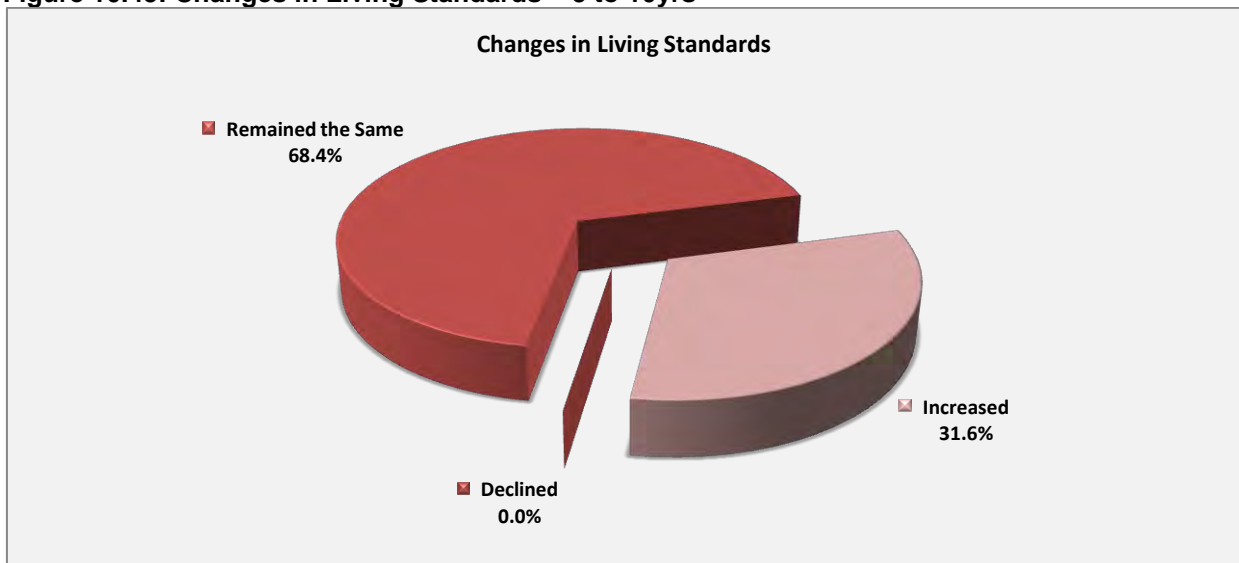
1. The centre reduced travel costs;
2. The centre reduced average travel time;
3. The centre offers a safe and secure retail destination;
4. The centre provides quality goods and services locally;
5. Overall the centre improved the convenience of conducting shopping locally.

10.4.8 LIVING STANDARD AND AVERAGE ANNUAL INCOME

Consumers indicated changes that took place in their living standard over the past five to 10 years, supported by an indication of monthly household income and contributions from remittances and social grants.

These factors provide important base information regarding household income, sources of income and changes affecting the overall level of disposable income. In general changes in these aspects have a direct impact on changes to living standards. These changes in living standards are therefore not directly linked to the development of Thula Plaza, but also influenced by an array of factors listed below.

Figure 10.45: Changes in Living Standards – 5 to 10yrs

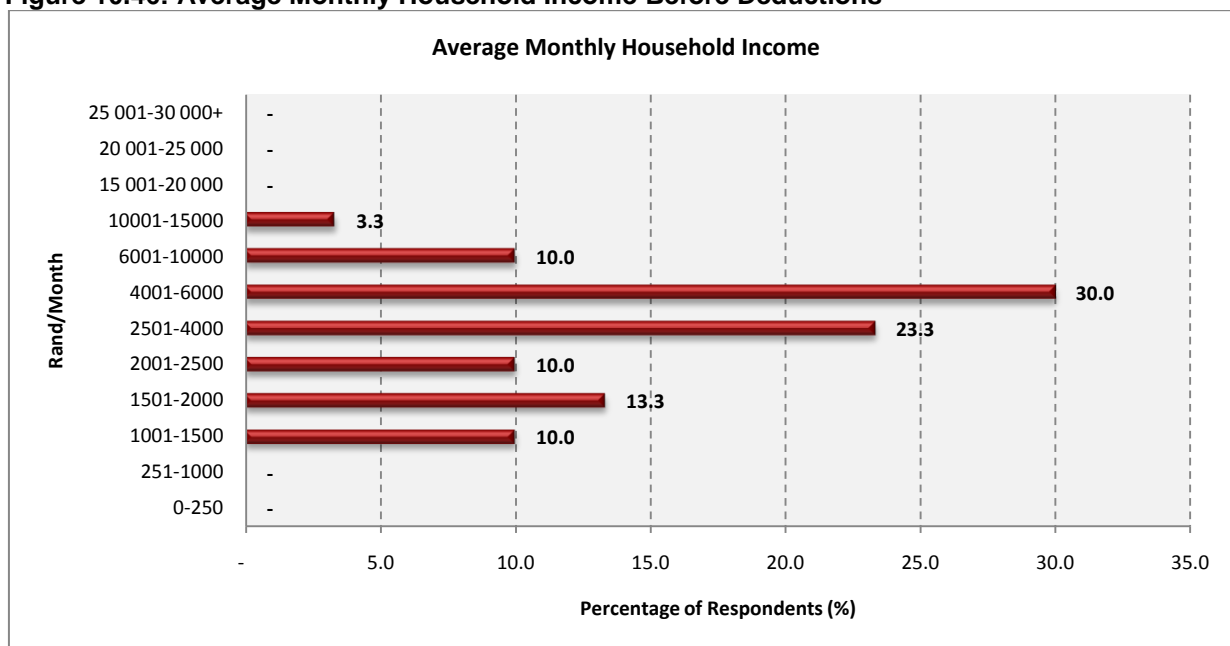


Source: Demacon Household Surveys, 2009

Findings: (Figures 10.45 to 10.46)

- ✓ The largest segment of respondents (68.4%) indicated that their living standards remained the same over the past five to 10 years, followed by 31.6% indicating an increase in living standards and none indicating a decline in living standards.
- ✓ These changes can largely be ascribed to the economic situation, more job opportunities, improved access to services and facilities, and more local retail.
- ✓ The weighted average monthly household income amounts to **R4 058.33**. This is on par with incomes specified under the socio-economic profile.
- ✓ In terms remittances, only **1.9%** of respondents obtain a certain percentage of their income from remittances.
- ✓ None of the respondents indicated any contribution from the social grant system.

Figure 10.46: Average Monthly Household Income Before Deductions



Source: Demacon Household Surveys, 2009

10.5 SYNTHESIS

This chapter provided an in-depth assessment of Thula Plaza, the socio-economic profile of the primary trade area population and past and current consumer behaviour. Overall, the chapter assisted with the identification of the impacts that the development of Thula Plaza had on the local community and economy – Table 10.7.

Table 10.7: Impact of the Development of Thula Plaza

	Change	Impact
Changes in shopping location:		
Hazyview	23.9% to 22.7%	↓
Acornhoek	20.4% to 11.4%	↓
Bushbuck Ridge	31.0% to 31.8%	↑
Nelspruit	23.9% to 15.9%	↓
Other Areas	0.9% to 18.2%	↑
Percentage of shopping conducted outside the local areas	50.8% to 35.7%	↓
Percentage of shopping at local traders	30.9% to 27.0%	↓
Average transport cost:		
Retail centre	R19.5 to R7.2	↓
Local traders	R16.0 to R17.1	↑
Average travel time:		
Retail centre	32.7min to 9.1min	↓
Local traders	26.2min to 21.4min	↓
Monthly household retail expenditure	R534.2 to R1 103.9 Thula Plaza – R782.6	↑
Impact on local traders:	Slight to large decline in support – 85.7%	↓
1. Everything remained the same	34.8%	Constant
2. Decline in informal traders	25.4%	Negative
3. Closure of local businesses	13.5%	Negative
4. Movement of local businesses closer to the mall	5.8%	Positive
5. Informal traders moved closer to the mall	3.8%	Positive
6. Movement of local business to the mall	1.9%	Positive
Overall impact of Thula Plaza		
8. Reduced average travel cost	87.0%	Positive
9. Reduced average travel time	87.0%	Positive

	Change	Impact
10. Centre provide safe and secure retail destination	81.6%	
11. Provide good quality goods and services locally	81.3%	Positive
12. Centre improve overall convenience of shopping locally	77.1%	Positive

From Table 10.7 it is evident that the overall impact of Thula Plaza has been positive, despite the slightly negative perceived impact on support for local traders. Overall, it has improved the retail landscape within the local area; reducing the leakage of buying power, reducing travel costs and travel times, increased local expenditure and improved the overall convenience of shopping locally.