

How to establish your brand in townships

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To have a strong brand is one of the key objectives of any business. Irrespective of industry, having a strong brand is undeniably linked to success. With informal trade stealing much of the spotlight from formal retail trade in recent years, companies seeking to build a strong brand in the informal markets are now pivoting into the spaza and wholesale arenas aggressively. Most, if not all South African brands, are trying to work out how best to capitalise on this rapidly growing business opportunity. Namely, how to establish a brands reputation with lower LSM shoppers, how to stand out from competitors where planogramming is not a formal opportunity, how to reinforce loyalty and trust with spaza shop owners and shoppers alike and, finally, how to uplift sales.

Traditional trade in South Africa accounts for a few hundred billion rand on an annual basis. This makes it a very lucrative market for South African brands to play in. The big question brand managers must ask themselves is: How do they penetrate this volatile market and how do they measure their return on investment (ROI)?



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Robot Tuck Shop, before and after

Pick the right marketing/advertising agency

From the big agencies to the fly by nights, there are a lot of people who say they can do it. And by do it, we mean the following:

- Establish a network of high performing spaza and wholesalers nationally
- Offer a professional team of national installers
- Provide good design and print point of sale material (like store name signage and posters)
- Professionally install said material.
- Use field sales technology (not WhatsApp groups) so track and measure executions and give you real-time feedback

It is imperative to understand how challenging this environment can be, how stubborn the merchants can be and how hard it is to pull off a job like a spaza branding. Partnering with a company that has many years of creditable experience should be your number one priority when embarking on a journey like this.





Lubisi Tuck Shop, before and after

Research your target audience

Choose your townships wisely. Township consumers have a very different behavior to overall South African consumer behavior and, therefore, marketers need to differentiate their strategy and product offering (think pack sizes that act as topups for those who can't afford full pack size refills before month-end). Understanding the diverse lifestyle segments within townships is critical to brand owners as this allows them to get an understanding of what brand loyalty really means in these different regions. According to Maria Petousis, an executive at Ask Afrika Market Research company, research indicates that brand loyalty in the township market has been increasing steadily since 2015. Every year, Ask Afrika issues a comprehensive report called Kasi Star Brands: SA's Number One Township Brands, which is typically published in widely read news journals like the *Daily Sun*. A piece of publication not to be ignored.





Al-Mubarake Tuck Shop, before and after

Create a connection between your brand and the consumer

Simply put, consumers need to know that you care about them. Some would find it surprising that many township consumers find it more important that brands speak their language (both literally and figuratively) and that price point comes second! What matters most, is how the brand communicates both their lifestyle and their lifestyle aspirations. Other ways to create connections is for brands to get involved on a community level, like stokvel drives and big church events. It is vital for brands to communicate regularly to build an emotional connection and trust between themselves and the consumers.

Be consistent

A 2019 study by <u>Lucidpress</u> shows that consistent branding and messaging across all platforms and channels can increase market returns by 33%. Brand consistency is crucial to securing customer trust and raising your ROI. It shows consumers you are reliable and makes your brand more recognisable. This needs to be considered when embarking on a project like spaza branding.





Supermarket on uMhlandlothi Street, before and after

Get the data

Brand owners ideally want to get their hands on sales data from before and after their branding efforts to measure their ROI. Whilst this is not always possible, marketers want to be able to rely on their agency partner to follow up with the store merchants and find out if sales have increased since, for example, the spaza has been branded. Again, it is important here to work with a company who has a network of trustworthy teams on the ground who use <u>field sales applications</u> that are capable of taking photos and conduct surveys (have a look at <u>ConnectGroup</u> as a good example) as this information is the holy grail for strategy and future campaigns.

A great way to grow your brand presence in the informal sector is to brand spaza shops. It helps create emotional connections with the spaza owners and members of the community while your brand aesthetically uplifts the environment. If you are looking for a trustworthy supplier with 16 years' experience, please visit <u>MegaVision Media</u>. MegaVision Media specialises in township branding and spaza data collection technology, which helps offer brands insights on pricing, stock and on-shelf presence.

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- "SA's traditional trade revolution: 4 must-know strategies for success 13 Mar 2024
- " ConnectGroup on redefining field sales technology and cashless payments in Africa 30 Aug 2023
- " The 5 keys to stokvel advertising success 8 Aug 2023

^a Untapped market: How spaza branding can increase sales and consumer demand 22 May 2023 ^a How to give shoppers that last push to purchase 31 Mar 2023



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