CHAPTER NINE: IN-DEPTH CASE STUDY ANALYSIS – UMLAZI MEGA CITY

9.1 INTRODUCTION

Umlazi Mega City represents a minor regional centre located in Umlazi, KwaZulu Natal. 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 levels 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.

9.2 UMLAZI MEGA CITY PROFILE AND LOCATION WITH REFERENCE TO COMPETITION

9.2.1 UMLAZI MEGA CITY PROFILE

Table 9.1 provides a condensed profile of Umlazi Mega City. Overall it is evident that it represents a minor regional centre of 28 000m^2 retail GLA, located at 50 Mangosuthu Highway, Umlazi. It was developed in 2006 and consists of a single retail floor with 102 shops and 465 parking bays. It is anchored by Super Spar, Woolworths, Jet and Mr Price.

Table 9.1: Umlazi Mega City Profile

Centre type	Minor regional centre
Centre size	28 000m^2 retail GLA
Location	50 Mangosuthu Highway, Umlazi
Date of development	2006
Number of retail floors	1
Number of shops	102
Number of parking bays	465 open
Anchor tenants	Super Spar Woolworths Jet Mr Price
Owner	SA Corporate Real Estate Fund
Developer	Mark II Project Managers

Source: Demacon Ex. SACSC, 2010

9.2.2 UMLAZI MEGA CITY LOCATION WITH REFERENCE TO COMPETITION

Map 9.1 indicates the location of Umlazi Mega City with reference to existing retail centres within and just beyond a 10km radius. Table 9.2 indicates the detail of existing supply within the 10km radius.

Table 9.2: Existing Supply Within 10km from Umlazi Mega City

Centre	Location	Size (m²GLA)	Classification	Developed	Shops	Anchors
Arbour Crossing	Umbongintwini	42 831	Value Centre	2008	44	Pick n Pay Hyper
Chatsworth Centre	Chatsworth	41 678	Minor Regional Centre	1988	150	Shoprite Checkers, Hub
Umlazi Mega City	Umlazi	28 000	Minor Regional Centre	2006	102	Superspar, Woolworths, Jet, Mr Price
Bluff Towers Shopping Centre	Bluff	21 450	Community Centre	1982	35	Shoprite Checkers, Edgars, Ackermans, Truworths, Miladys
Southway Mall	Seaview	14 922	Community Centre	1990	42	Checkers, Tile Africa
Bluff Pick n Pay Centre	Bluff	13 936	Community Centre	1993	40	Pick n Pay Super, Mr Price, Clicks, Virgin Active
Malvern Shopping Centre	Queensburg	12 203	Community Centre	1968	80	Shoprite Checkers, Miladys, Mr Price, Ackermans, Clicks
Montclair Mall	Montclair	11 826	Neighbourhood Centre	1982	42	Pick n Pay Super, Clicks, Mr Price
Umlazi Mall	Umlazi	10 850	Neighbourhood Centre	1979	38	Rhino Cash & Carry, Ithala Bank, Post Office, Pep Stores, Savells, Standard Bank
Queensburgh Shopping Centre	Queensburg	8 133	Neighbourhood Centre	1982	24	Pick n Pay Super, ABSA, C N A
Queensmead Mall	Queensmead	6 502	Neighbourhood Centre		40	Spar, Post Office, Library
Athlone Park Shopping Centre	Amanzimtoti	6 100	Neighbourhood Centre	1976	32	Pick n Pay Family
Isipingo Junction	Isipingo Rail	5 614	Neighbourhood Centre		23	Shoprite Checkers
Bluff Shopping Centre	Bluff	5 297	Neighbourhood Centre	1975	36	Spar
Durban International Airport	Airport	2 884	Speciality Centre	1960		House of Coffees, Panarottis, Spur
Queensburgh Shopping Centre 2	Queensburg	1 813	Local Convenience Centre	1978	9	Spur, Pep
		234 039				

Source: Demacon Ex. SACSC, 2010

✓ There are 16 other retail centres within a 10km radius of Umlazi Mega City.

✓ Three are located in Bluff, three are located in Queensburg, two are located in Umlazi, one in Umbongintwini, one in Chatsworth, one in Seaview, one in Montclair, one in Queensmead, one in Isipingo, one in Amanzimtoti and one at the old Durban International Airport.

✓ These include a value centre, a minor regional centre, four community centres, one speciality centre, seven neighbourhood centres and one local convenience centre.

✓ The sizes of the centres vary between 1 813m² retail GLA and 42 831m² retail GLA.

✓ The centres excluding Umlazi Mega City constitute a total of 206 039m² of retail GLA.

✓ Only one of these centres was developed post 2000 (excluding Umlazi Mega City).

✓ Anchors include Pick 'n Pay, Shoprite, The Hub, Super Spar, Woolworths, Jet, Mr Price, Ackermans, Truworths, Pick 'n Pay, Clicks, Miladys, Pep, Tile Africa, Virgin Active, Ithala

Bank, Rhino Cash 'n Carry, Savells, CNA, Post Office, Standard Bank, ABSA, House of Coffees, Panarottis, Spur.

Picture 9.1: Umlazi Mega City[77]

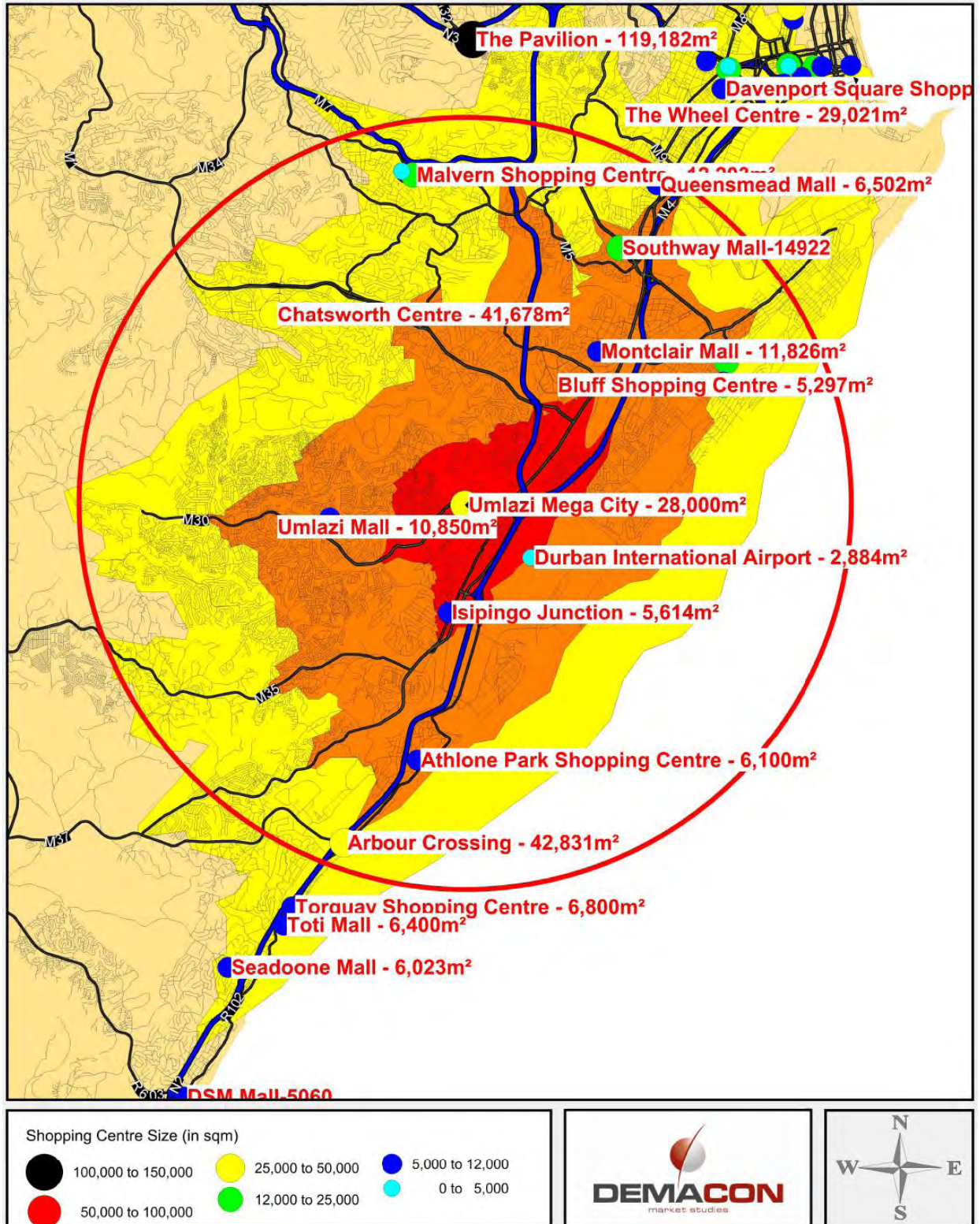**Picture 9.2: Umlazi Mega City Layout[78]**

Overall, Umlazi Mega City is located in a market area characterised by high levels of supply, however, it represents one of the two regional centres with moderately low levels of effective competitive supply.

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[77] Source: www.mallguide.co.za
[78] Source: www.mallguide.co.za

Map 9.1: Location of Umlazi Mega City and Other Retail Centres Within a 10km Radius

The Pavilion - 119,182m²

Davenport Square Shopp

The Wheel Centre - 29,021m²

Malvern Shopping Centre Queensmead Mall - 6,502m²

Southway Mall-14922

Chatsworth Centre - 41,678m²

Montclair Mall - 11,826m²

Bluff Shopping Centre - 5,297m²

Umlazi Mega City - 28,000m²

Umlazi Mall - 10,850m²

Durban International Airport - 2,884m²

Isipingo Junction - 5,614m²

Athlone Park Shopping Centre - 6,100m²

Arbour Crossing - 42,831m²

Torquay Shopping Centre - 6,800m²
Toti Mall - 6,400m²

Seadoone Mall - 6,023m²

DSM Mall-5060

Shopping Centre Size (in sqm)

⚫ 100,000 to 150,000	🟡 25,000 to 50,000	🔵 5,000 to 12,000
🔴 50,000 to 100,000	🟢 12,000 to 25,000	🔵 0 to 5,000

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9.3   CONSUMER MARKET PROFILE

In order to understand the consumer market profile of Umlazi Mega City, a 10km trade area was delineated – Refer to Map 9.2.   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 9.3: Consumer Market Profile, 2010 Estimates

| Variable	Primary Source Market Characteristics
Number of people	✓ 903 085
Number of households	✓ 235 170
Household size	✓ 3.7
Household density	✓ 1 488.7 households/km^2
Racial distribution	✓ African blacks – 65.2% ✓ Asian – 24.6% ✓ White – 6.7% ✓ Coloureds – 3.5%
Age profile	✓ 0-14: 27.6% ✓ 15-19: 10.7% ✓ 21-35: 29.0% ✓ 36-65: 28.6% ✓ 65+: 4.2%
Educational attendance (aged 5 to 24 years)	✓ School: 60.1% ✓ None: 32.0% ✓ Pre-school: 2.6% ✓ Technikon: 2.2% ✓ Other: 3.2%
Highest level of education (aged 20 and older)	✓ Higher: 8.9% ✓ Grade 12: 28.2% ✓ Some secondary: 35.6% ✓ Some primary and primary: 17.9% ✓ None: 9.4%
Level of employment	✓ EAP: 63.8% ✓ Employed: 56.6% ✓ Unemployed: 43.4%
Manner of employment	✓ Paid employees: 90.8% ✓ Self-employed: 7.4% ✓ Family worker: 0.8% ✓ Employer: 1.0%
Occupation profile	✓ Elementary occupations: 20.7% ✓ Clerks: 16.4% ✓ Craft and related trade: 13.6% ✓ Technicians and associate professionals: 13.1% ✓ Plant and machine operators and assemblers: 11.5% ✓ Service workers: 11.3% ✓ Professionals: 7.3% ✓ Legislators, senior officials and managers: 5.8%
Weighted average household income[79]	Total market earning an income: ✓ R98 132.1/annum

[79] 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.

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Variable	Primary Source Market Characteristics
	✓ R8 177.7/month
	LSM 4 to 10+:
	✓ R125 202.3/annum
	✓ R10 433.5/month
LSM profile	✓ LSM 1-3: 40.0%
	✓ LSM 4-10+: 60.0%
Mode of transport	✓ On Foot: 39.1%
	✓ Private Vehicle: 25.8%
	✓ Mini-bus: 15.0%
	✓ Bus: 12.9%
	✓ Train: 5.4%
Dwelling type	✓ House on separate stand: 48.7%
	✓ Informal dwelling on separate stands: 18.8%
	✓ Townhouses and cluster units: 5.7%
	✓ Flat in block of flats: 9.5%
	✓ House/flat/room in backyard: 4.6%
	✓ Living quarters: 4.6%

Source: Demacon Ex. Quantec, 2010

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

Figure 9.1: Age Profile of Consumer Market
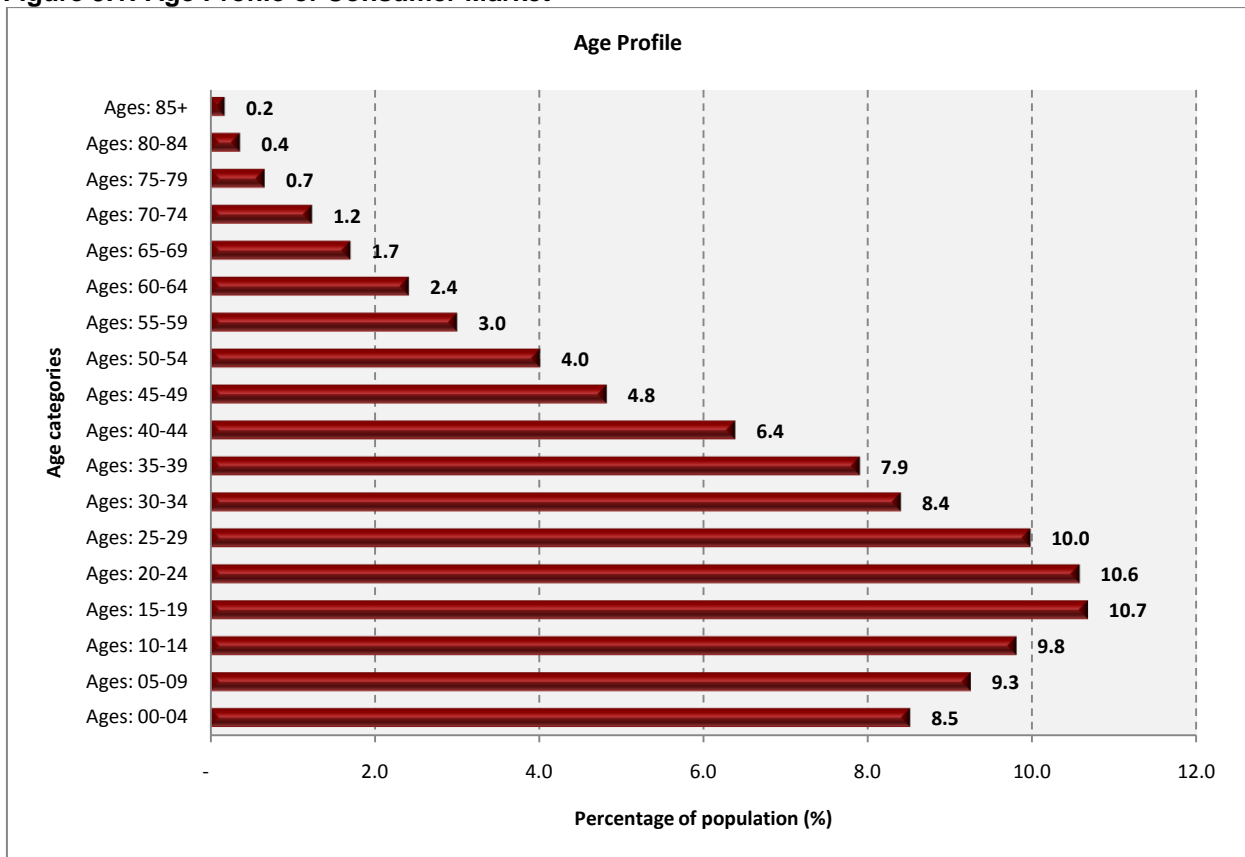
Source: Demacon Ex. Quantec, 2010

Map 9.2: Umlazi Mega City Primary Trade Area Delineation, 10km Radius
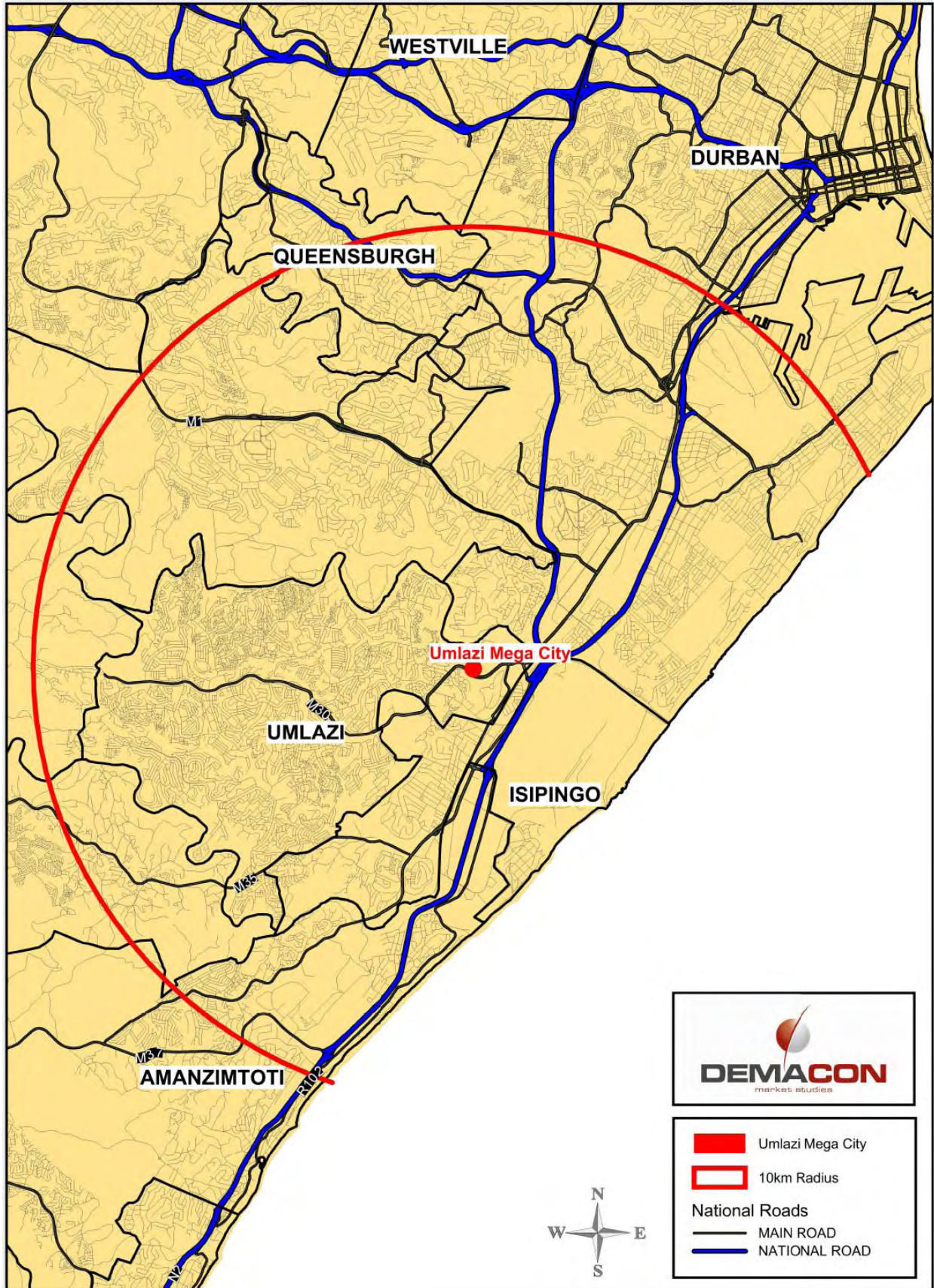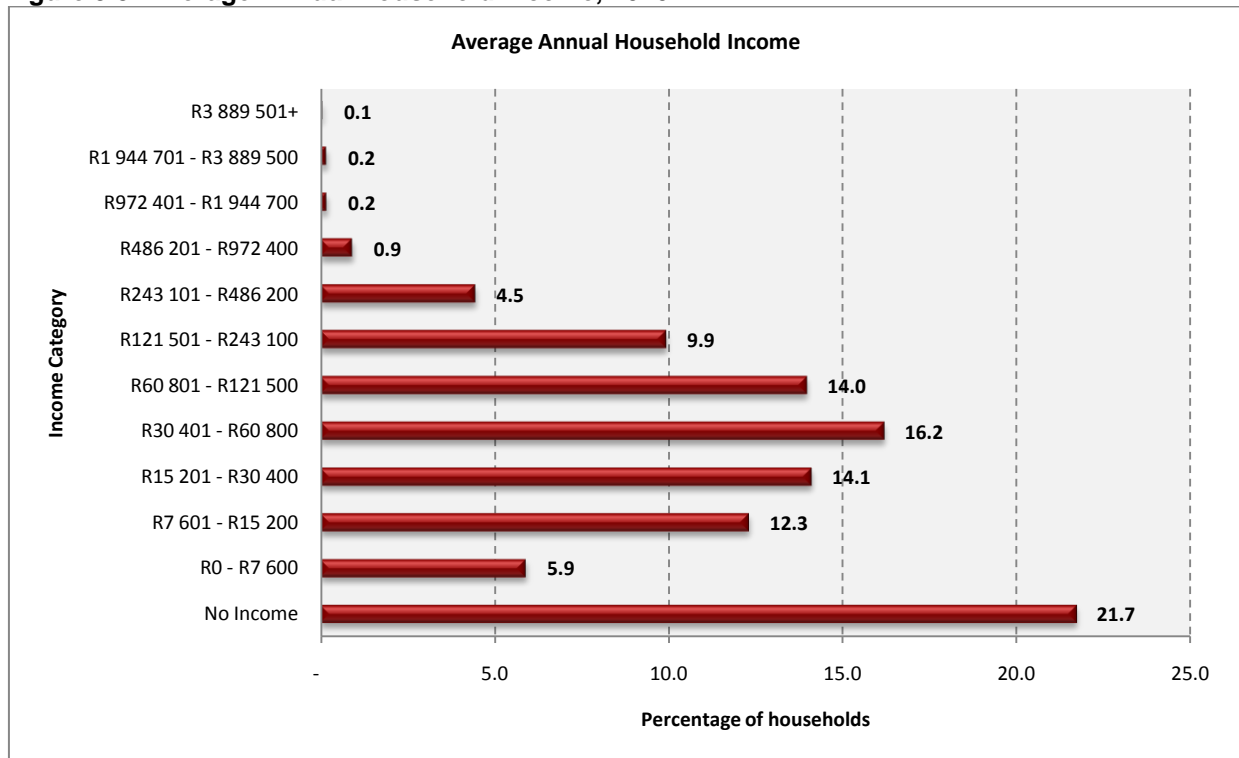
Figure 9.2: Employment Status

Employment Status

Economically
Active
63.8%

Not
Economicaly
Active
36.2%

Level of employment

Employed
56.6%

Unemployed
43.4%
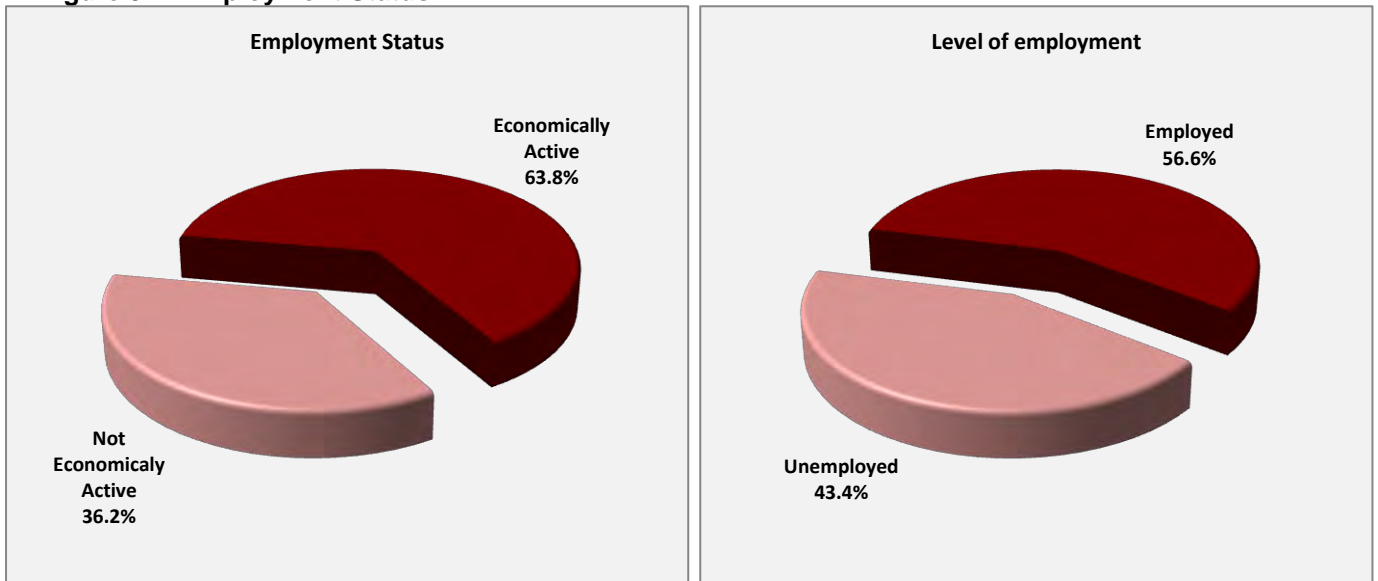
Source: Demacon Ex. Quantec, 2010

Table 9.4: Living Standard Measurement Indicator, 2010

Income category (R/month)	LSM Status	Market Area
Super A income	LSM 10+	4.0
A Income	LSM 10	1.8
B Income	LSM 9	7.0
C Income high	LSM 8	3.0
C Income low	LSM 7	11.1
D Income	LSM 6	12.5
D Lower top	LSM 4 to 5	20.6
D lower end	LSM 1 to 3	40.0

Source: Demacon Ex. Quantec, 2010

Figure 9.3: Average Annual Household Income, 2010

Average Annual Household Income

Income Category	Percentage of households
R3 889 501+	0.1
R1 944 701 - R3 889 500	0.2
R972 401 - R1 944 700	0.2
R486 201 - R972 400	0.9
R243 101 - R486 200	4.5
R121 501 - R243 100	9.9
R60 801 - R121 500	14.0
R30 401 - R60 800	16.2
R15 201 - R30 400	14.1
R7 601 - R15 200	12.3
R0 - R7 600	5.9
No Income	21.7

Source: Demacon Ex. Quantec, 2010

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

✓ At least **235 170** households (2010);
✓ Largely an African black and Asian consumer market;
✓ Relatively large young and upcoming market segment, supported by more mature adult segment and large youth component;
✓ Relatively sophisticated consumer market characterised by moderate levels of education;
✓ Relatively large economically active market segment, characterised by moderately higher levels of employment – reflecting lower dependency ratios;
✓ Occupation profile reflects a dominance of blue collar occupations, supported by a relative component of white collar occupations – overall the occupation profile reflects a middle income consumer market characterised by pockets of wealth and poverty;
✓ Weighted average monthly household income of target market (LSM 4 to 10+) approximately **R10 433.5** (2010);
✓ Moderate to higher living standard levels – **LSM 1 to 3 (40.0%); LSM 4 to 10+ (60.0%);**
✓ 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 middle to upper spectrum of commercial products and services.

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

9.4   IMPACT OF THE DEVELOPMENT OF UMLAZI MEGA CITY

Household surveys were conducted within the 10km trade radius in order to study past and current consumer behaviour using the development of Umlazi Mega City as a reference point. They also show current levels of satisfaction, perceived demands and preferences pertaining to future extensions. 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 Umlazi Mega City;
✓ Overall impact of the development of Umlazi Mega City;
✓ Living standard and average annual income.
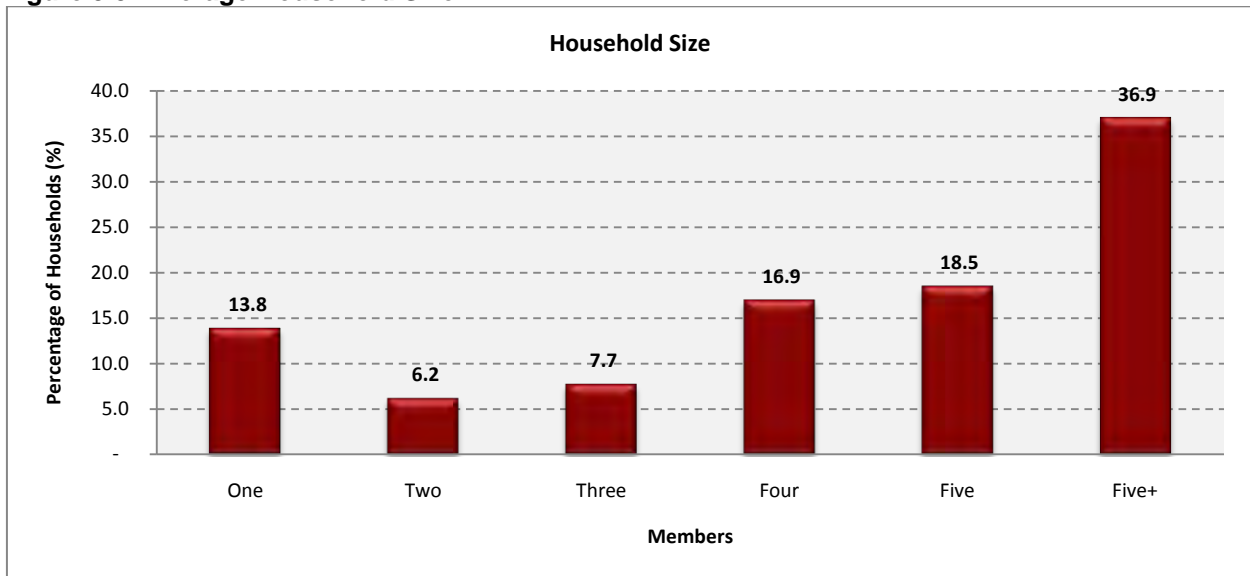
9.4.1   HOUSEHOLD INFORMATION

In terms of household information the following were addressed: number of households on 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.

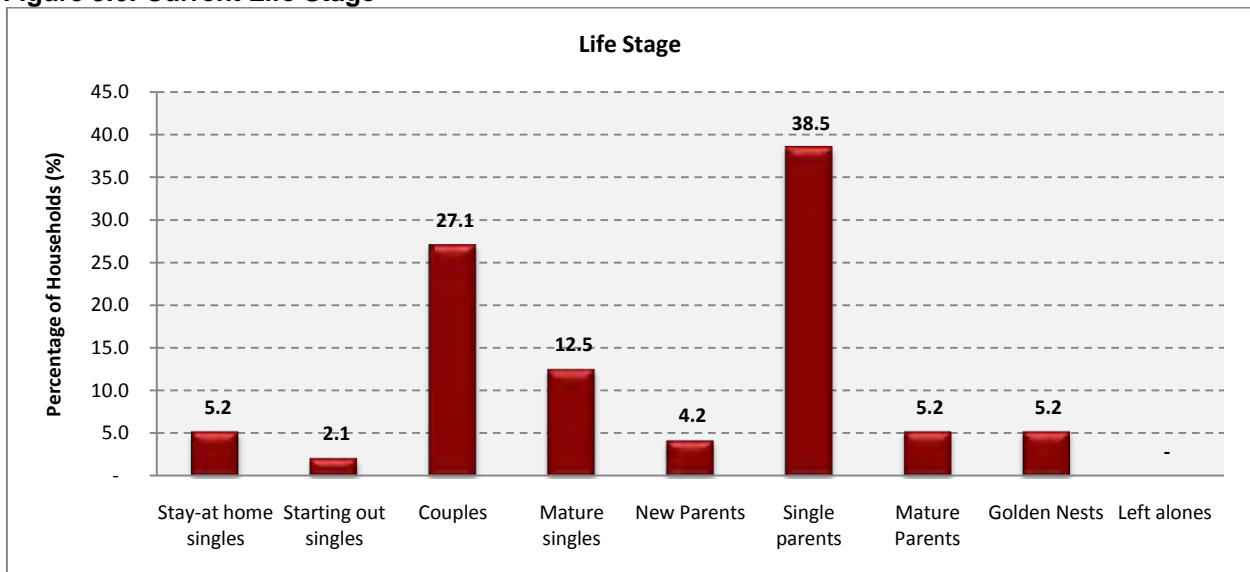**Figure 9.4: Number of Households on Premises**

Households on Premises

Percentage of Households (%)

- One: 77.4
- Two: 2.4
- Three: 1.2
- Four: 2.4
- Five: 6.0
- Five+: 10.7
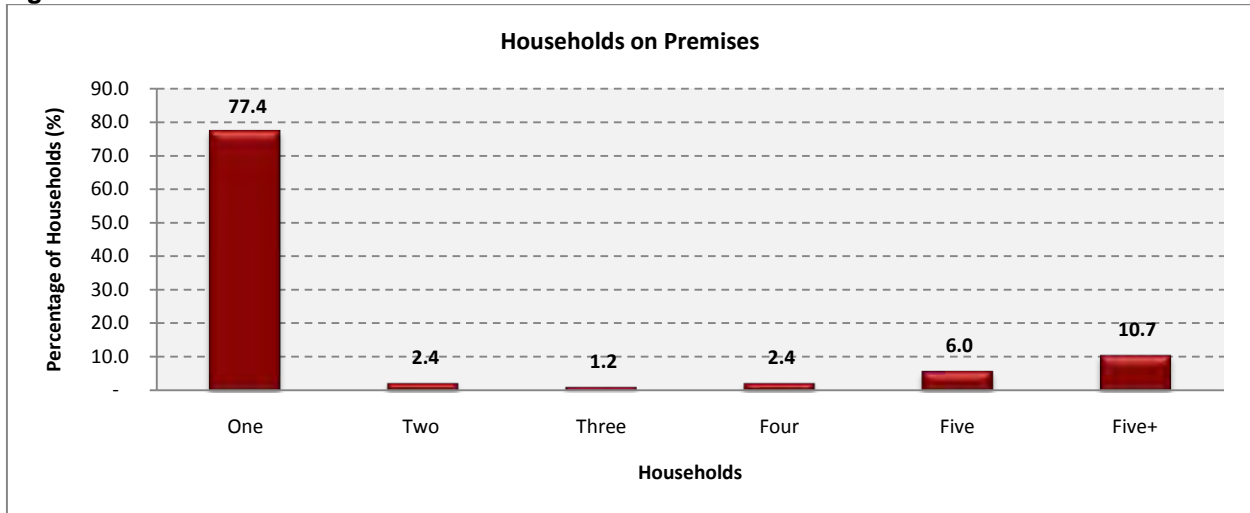
Households

Source: Demacon Household Surveys, 2009

Figure 9.5: Average Household Size

Household Size

Percentage of Households (%)

- One: 13.8
- Two: 6.2
- Three: 7.7
- Four: 16.9
- Five: 18.5
- Five+: 36.9

Members

Source: Demacon Household Surveys, 2009

Figure 9.6: Current Life Stage

Life Stage

Percentage of Households (%)

- Stay-at home singles: 5.2
- Starting out singles: 2.1
- Couples: 27.1
- Mature singles: 12.5
- New Parents: 4.2
- Single parents: 38.5
- Mature Parents: 5.2
- Golden Nests: 5.2
- Left alones: -

Source: Demacon Household Surveys, 2009

Figure 9.7: Age Profile of Household Members
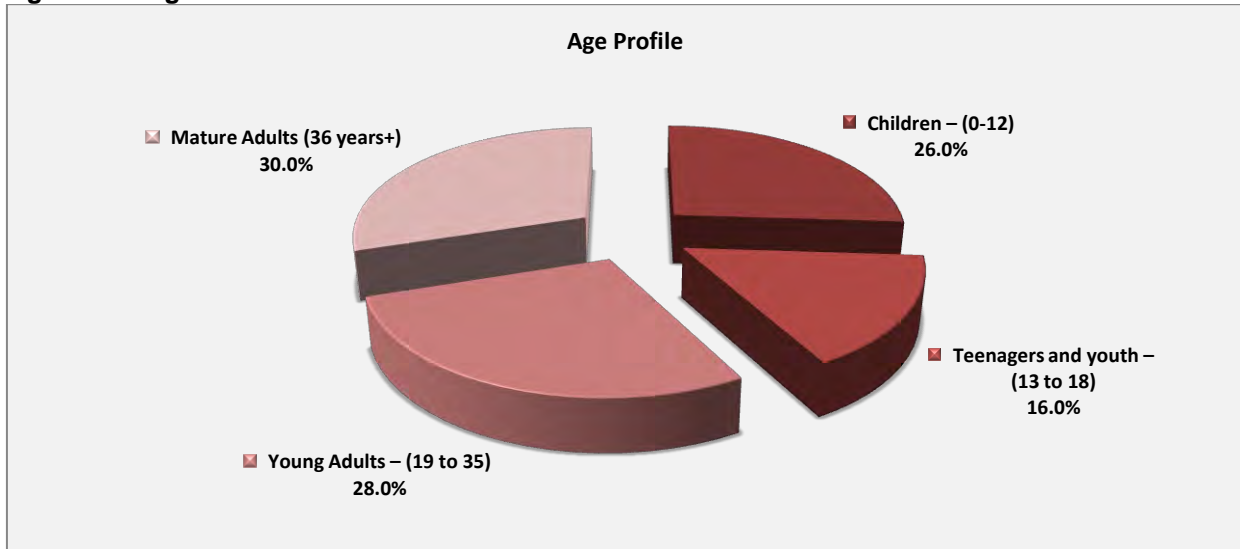
Source: Demacon Household Surveys, 2009

Figure 9.8: Family Member Responsible for Retail Purchases
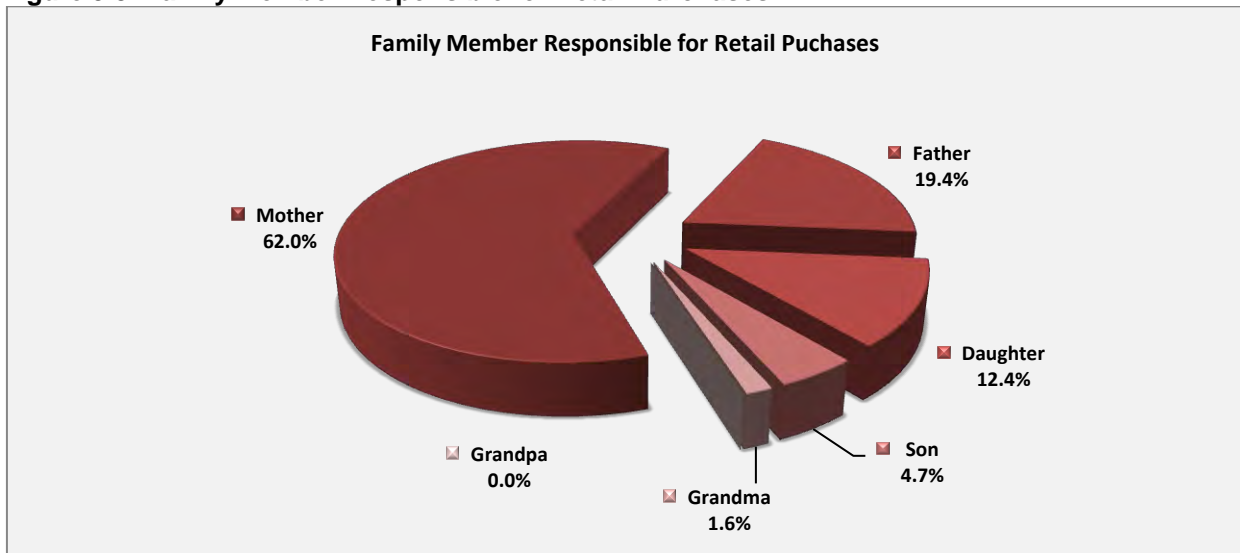
Source: Demacon Household Surveys, 2009

Figure 9.9: Mode of Transport
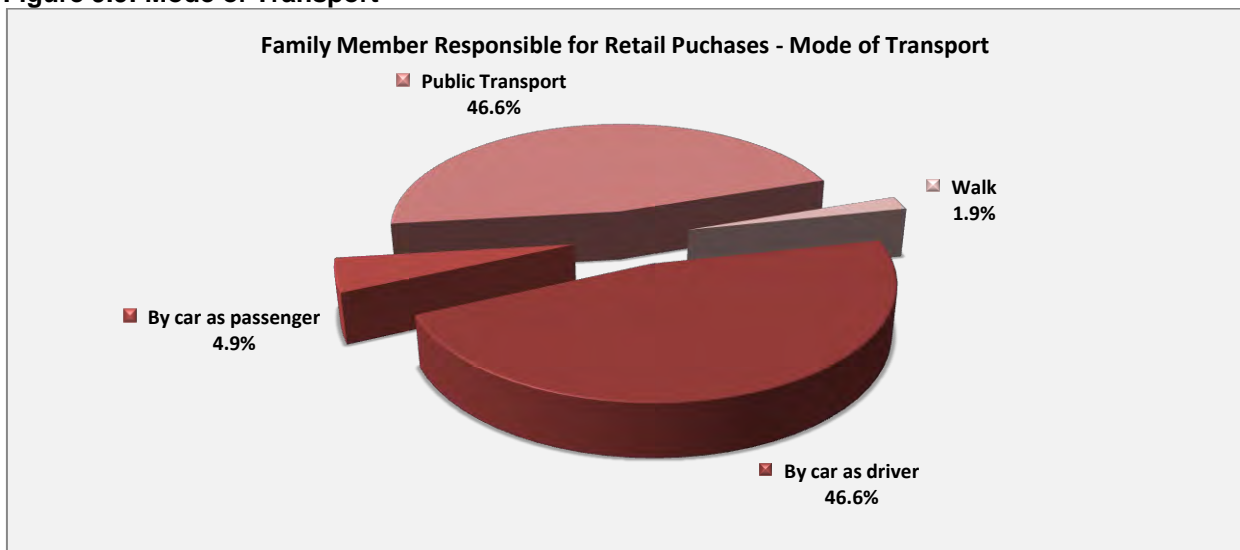
Source: Demacon Household Surveys, 2009

Figure 9.10: Breadwinners per Household
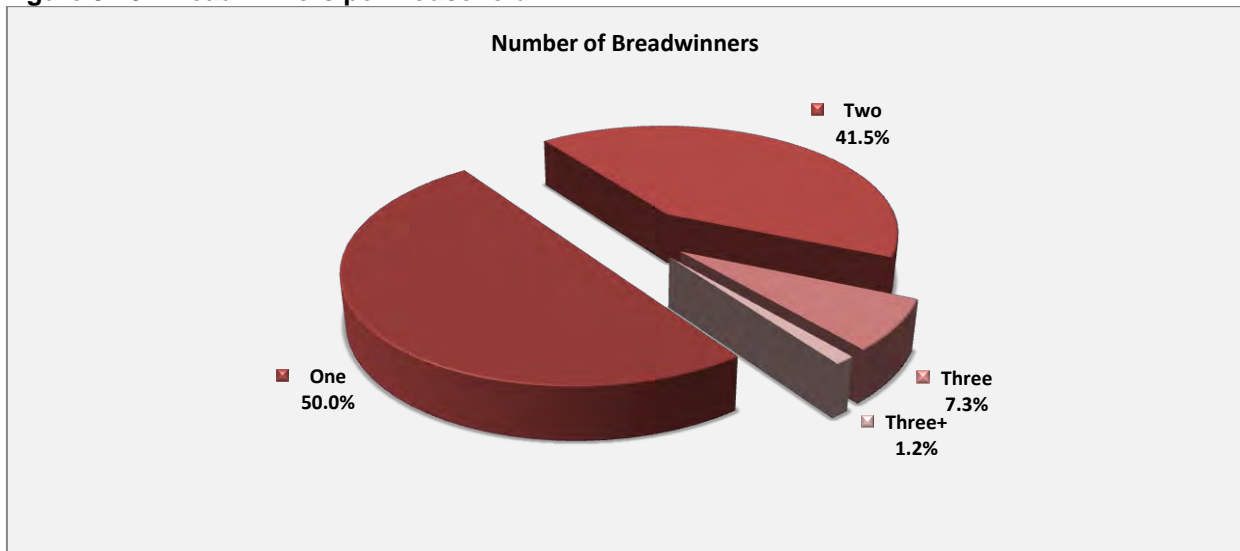
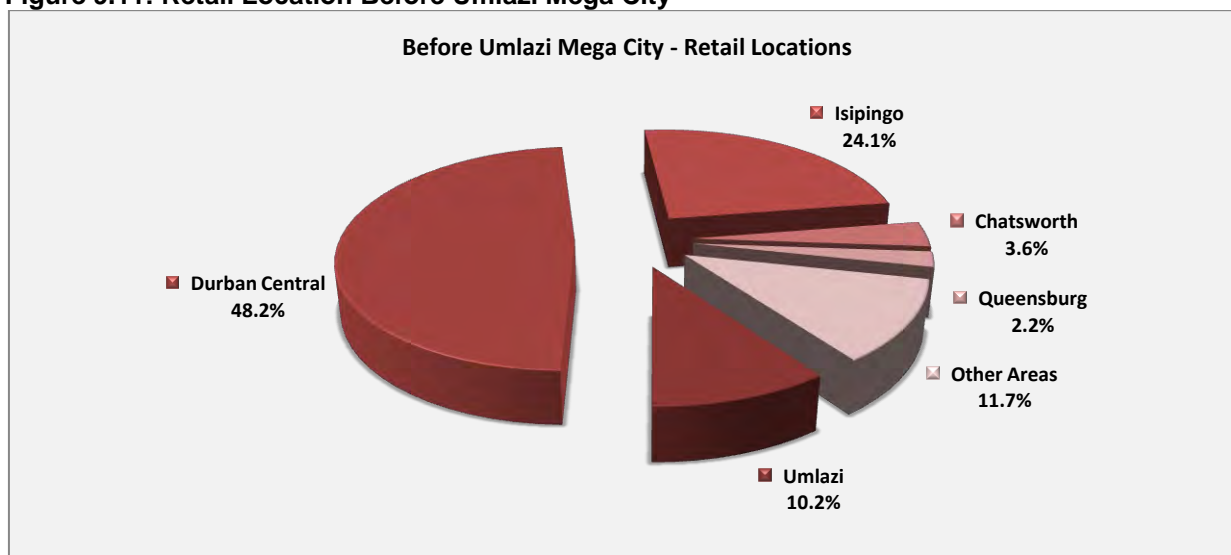*Source: Demacon Household Surveys, 200*

Findings: (Figures 9.4 to 9.10)

Consumer market reflects the following household characteristics:

✓ There is mainly one household on the premises (77.4%),while 22.6% of respondents have more than one household on the premises;
✓ Households mostlyconsist of four and more members (72.3%);
✓ The dominant life stages include single parents (38.5%), couples (27.1%) and mature singles (12.5%);
✓ The age profile of household members reflects a dominant adult population (30.0%), supported by a nearly proportional segment of young adults (28.0%) and children (26.0%) and a smaller segment of teenagers (16.0%);
✓ The mothers (62.0%), followed by the fathers (19.4%) and daughters (12.4%) are mainly responsible for retail purchases;
✓ Persons responsible for retail purchases reach their retail destinations mostly by means of private vehicles (51.5%), public transport (46.6%) or walking (1.9%);
✓ The majority of households are characterised by a single breadwinner (50.0%), followed by 41.5% of the households having two breadwinners and a small segment (8.5%) being characterised by more than two breadwinners;
✓ These breadwinners are mainly employed in Durban, Umlazi, Isipingo and to a lesser extent in Edwedwe, Pinetown, King Edward, Amanzimtoti.
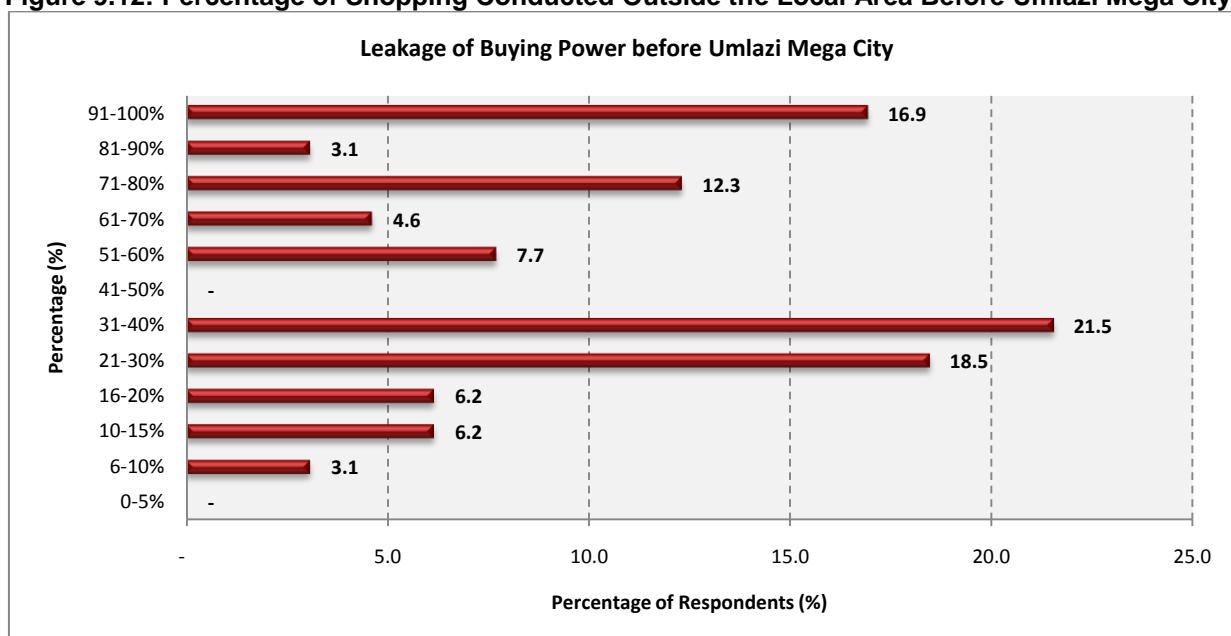
9.4.2   PAST CONSUMER BEHAVIOUR

Subsequent paragraphs address the issue of past consumer behaviour before Umlazi Mega City 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 9.11: Retail Location Before Umlazi Mega City

Before Umlazi Mega City - Retail Locations

- Isipingo 24.1%
- Chatsworth 3.6%
- Queensburg 2.2%
- Other Areas 11.7%
- Umlazi 10.2%
- Durban Central 48.2%

Source: Demacon Household Surveys, 2009

Figure 9.12: Percentage of Shopping Conducted Outside the Local Area Before Umlazi Mega City

Leakage of Buying Power before Umlazi Mega City

Percentage (%)	Percentage of Respondents (%)
91-100%	16.9
81-90%	3.1
71-80%	12.3
61-70%	4.6
51-60%	7.7
41-50%	-
31-40%	21.5
21-30%	18.5
16-20%	6.2
10-15%	6.2
6-10%	3.1
0-5%	-

Source: Demacon Household Surveys, 2009

Table 9.5: Preferred Retail Centre Before Umlazi Mega City

	Centres	Areas
Groceries	Durban Central, Checkers Centre, Isipingo Junction, The Pavillion, Pick 'n Pay Hypermarket	Durban, Isipingo, Westville
Top-up groceries	Isipingo Junction, Durban Central, Shoprite Centre, Pavillion, Bluff Centre, Montclair Mall	Isipingo, Durban, Westville, Montclair
Clothing /shoes /accessories	Durban Central, Pavillion, Isipingo Centre, Checkers Centre, Bluff Centre, Chatsworth Centre	Durban, Westville, Isipingo, Chatsworth
Furniture and home ware	Durban Central, Shoprite Centre, Pavillion, Isipingo Centre, Chatsworth Centre, Bluff Centre	Durban, Westville, Isipingo, Chatsworth
Hardware goods	Durban Central, Isipingo Centre, Pavillion, Bluff Centre, Chatsworth, Checkers	Durban, Westville, Isipingo, Chatsworth
Gifts books and confectionary	Durban Central, Pavillion, Isipingo, Checkers Centre, Chatsworth Centre, Toti Mall	Durban, Westville, Isipingo, Chatsworth, Amanzimtoti
Specialty / value goods	Durban Central, Pavillion, Isipingo Centre, Checkers Centre, Bluff Centre, Chatsworth Centre	Durban, Westville, Isipingo, Chatsworth
Entertainment	Durban Central, Checkers Centre, Pavillion,	Durban, Westville, Isipingo, Chatsworth

	Centres	Areas
	Isipingo Centre, Bluff Centre, Chatsworth Centre	
Restaurants	Durban Central, Checkers Centre, Pavillion, Isipingo Centre, Bluff Centre, Chatsworth Centre	Durban, Westville, Isipingo, Chatsworth
Personal care	Durban Central, Checkers Centre, Pavillion, Isipingo Centre, Bluff Centre, Chatsworth Centre	Durban, Westville, Isipingo, Chatsworth
Services & other	Durban Central, Checkers Centre, Pavillion, Isipingo Centre, Bluff Centre, Chatsworth Centre	Durban, Westville, Isipingo, Chatsworth

Source: Demacon Household Surveys, 2009

Figure 9.13: Average Distance to Preferred Centre
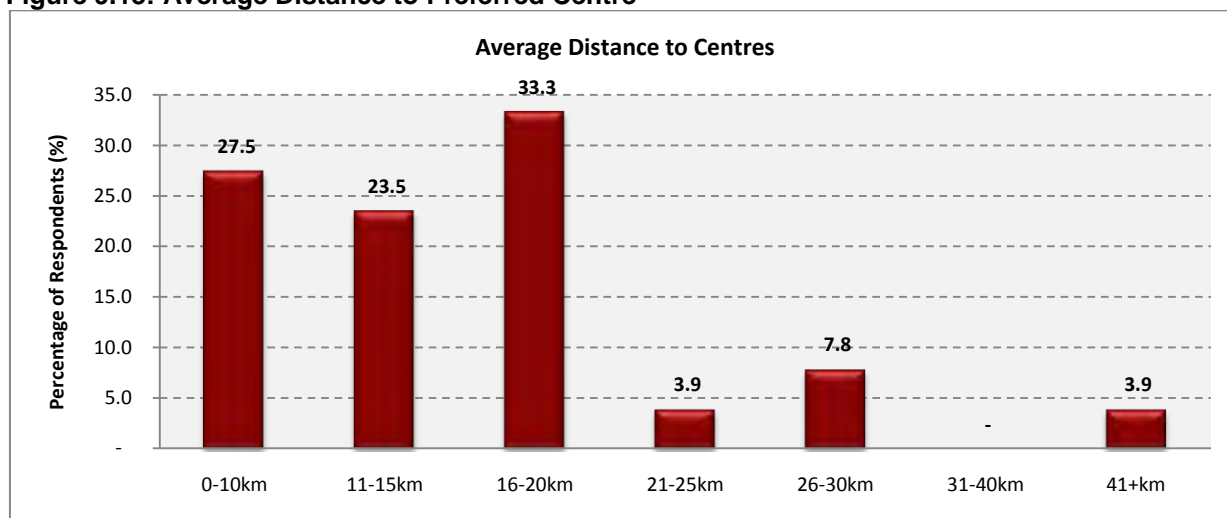
Source: Demacon Household Surveys, 2009

Figure 9.14: Percentage of Shopping Conducted at Local Traders before Umlazi Mega City

Source: Demacon Household Surveys, 2009

Findings: (Figures 9.11 to 9.15 and Table 9.5)

✓ Before Umlazi Mega City was developed the majority of respondents conducted their shopping within Durban Central (48.2%), Isipingo (24.1%), other areas (11.7%), Umlazi (10.2%), Chatsworth (3.6%) and Queensburg (2.2%).

✓ Before Umlazi Mega City was developed approximately 49.9% (weighted average[80]) of shopping was conducted outside of the local area.

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[80] 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 the preferred retail centres the following dominant centres featured: Durban Central, Shoprite Centre, Isipingo Junction, The Pavillion, Pick 'n Pay Hypermarket, Chatsworth Centre, Bluff Centre, Montclair Mall, Toti Mall.

✓ The dominant retail areas include Durban, Westville, Isipingo, Chatsworth, Amanzimtoti.

✓ Before the development of Umlazi Mega City the average distance to supported retail centres was mainly between 16 and 20km (for 33.3% of respondents); while 27.5% indicated distances of less than 10km, 23.5% indicated distances between 10 and 16km and 15.7% indicated distances of more than 20km. The weighted average[81] distance amounted to **15.3km.**

✓ Respondents conducted between 11% and 20% (64.3%) of their shopping at local traders, 20% of respondents conducted more than 20% of their shopping at local traders and 15.7% indicate that they did less than 10% of their shopping at local traders. The average weighted percentage conducted at local traders amounted to **18.9%.**

✓ The majority of households spent between R400 and R1 200 a month at formal retail centres (73.1%), 19.2% of households spent more than R1 200 a month and 7.7% of households spent less than R400 a month. Average monthly household expenditure at formal retail centres amounted to **R974.90.**

✓ The majority of households spent between R100 and R150 a month at local traders (53.3%), 23.1% spent between R151 and R200 a month and 15.4% spent between R500 and R750 a month at local traders, 7.7% spent between R1 000 and R1 200 per month. The average monthly household expenditure at local traders amounted to **R288.96.**

Figure 9.15: Monthly Household Expenditure at Retail Centres and Local Traders
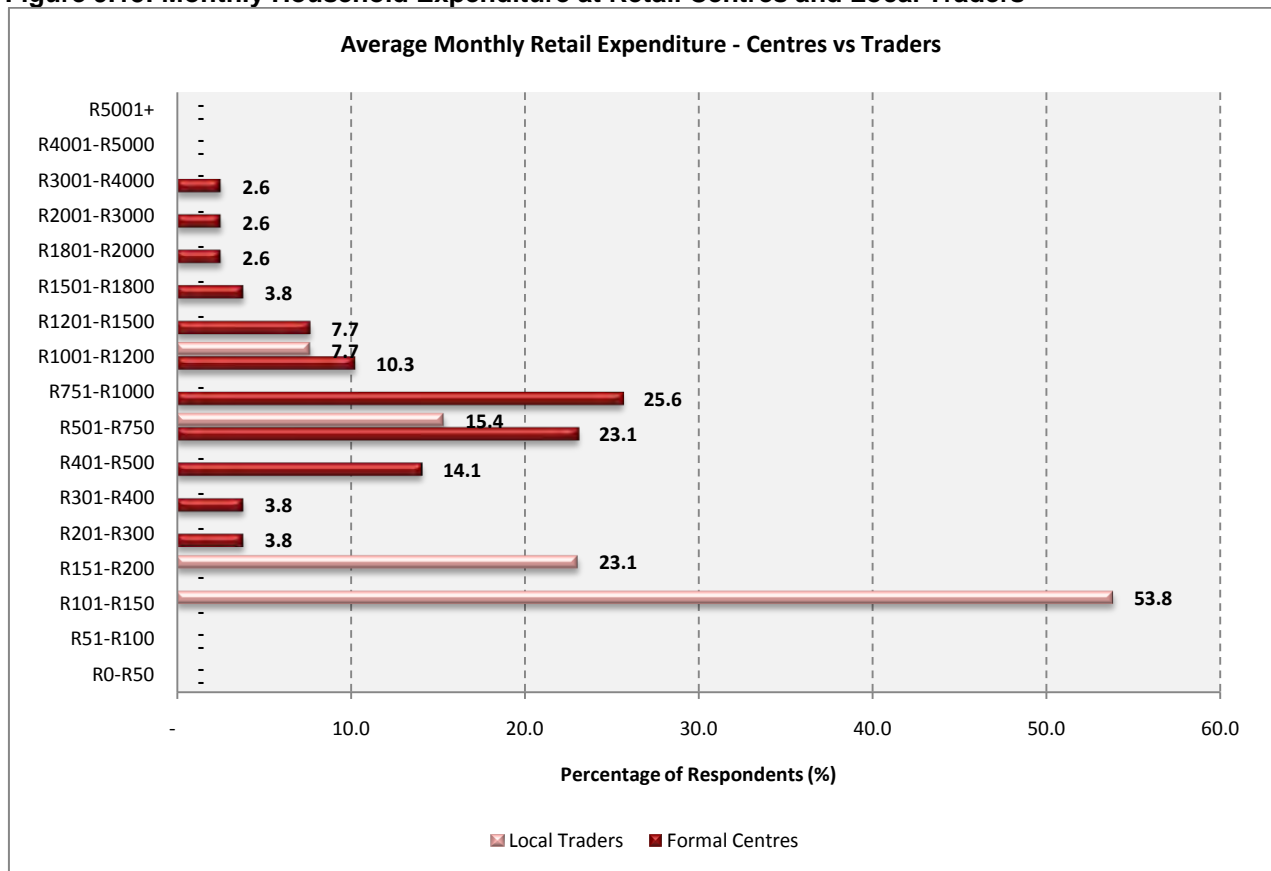
Source: Demacon Household Surveys, 2009

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[81] 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 9.16: Average Bus/Taxi Fare

Average Transport Cost - Taxi/Bus Fare (both ways)
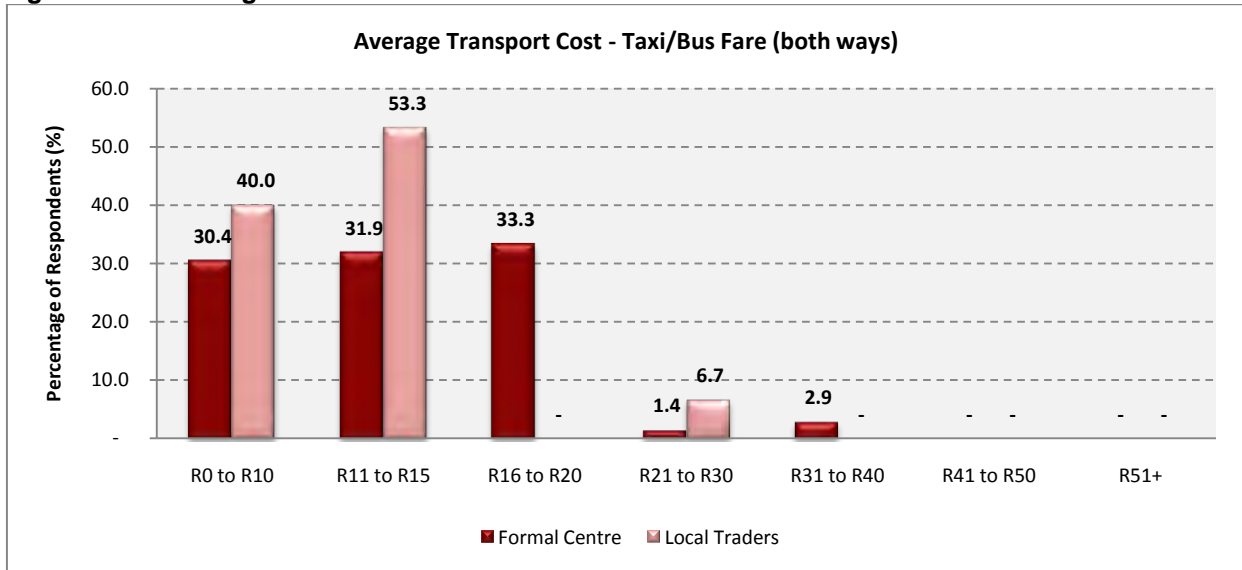
Source: Demacon Household Surveys, 2009

Figure 9.17: Average Travel Time

Average Travel Time
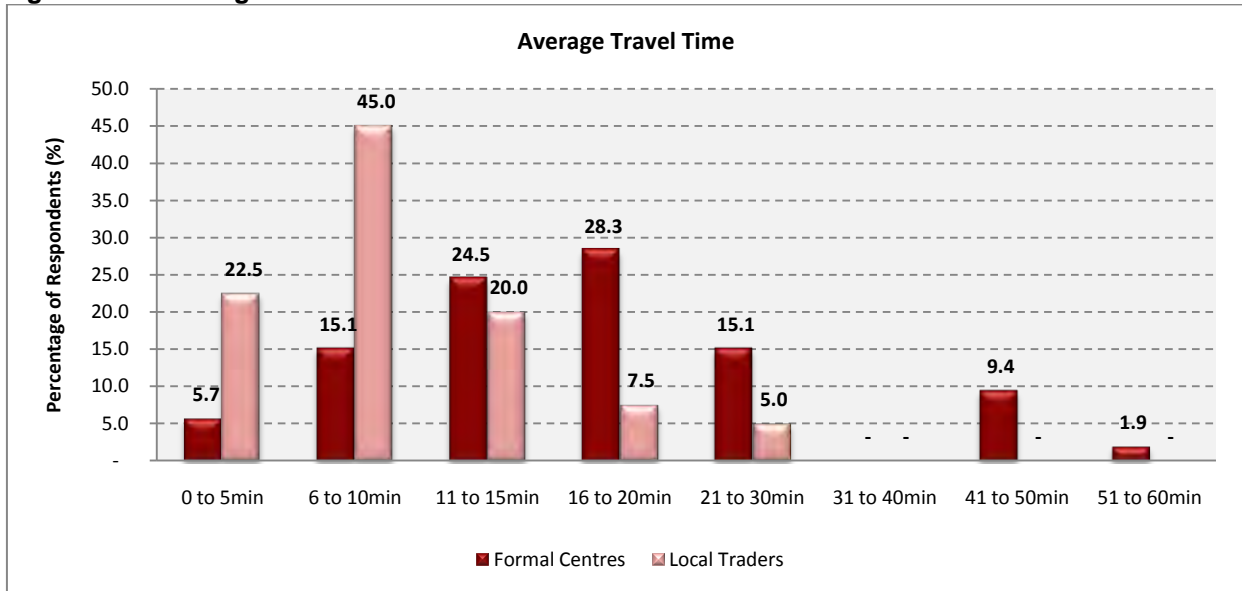
Source: Demacon Household Surveys, 2009

Findings: (Figures 9.16 to 9.17)

✓ The majority of households indicated that they spent between R16 and R20 for taxi/bus fares to the formal retail centres – 33.3%. This is followed by a proportional segment indicating transport fares of between R11 and R15 – 31.9%, and less than R10 – 30.4%. A small segment indicated transport fares exceeding R20 – 4.3%. The average weighted transport fare to formal retail centres amounted to **R13.1.**

✓ Similar trends were observed with reference to travel fares to local traders. The average weighted transport fare to local traders amounted to **R10.6.**

✓ In terms of the average travel time the majority of respondents indicated a travel time of between 16 and 20 minutes to formal retail centres – 28.3%, a large segment indicated shorter travel times between six and 15 minutes (39.6%) and a slightly smaller segment indicated longer travel times, exceeding 20 minutes (26.4%). The weighted average travel time to formal retail centres amounted to **18.8 minutes**.

✓ The majority of respondents indicated that they travel for between six and 10 minutes to local traders (45.0%), this is followed by 22.5% of respondents indicating travel times of fewer than 10 minutes and 32.5% indicated travel times of more than 10 minutes. The weighted average travel time to local traders amounted to **9.4 minutes**.

9.4.3   CURRENT CONSUMER BEHAVIOUR

Subsequent paragraphs examine current consumer behaviour trends after the development of Umlazi Mega City. They focuse 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 Umlazi Mega City, the types of commodities purchased at the mall, an indication of commodities not available at the mall, changes in support for other areas, impact of the development of the mall on support for local traders, average transport cost and travelling time, impact of transport costs on retail trips outside the area.

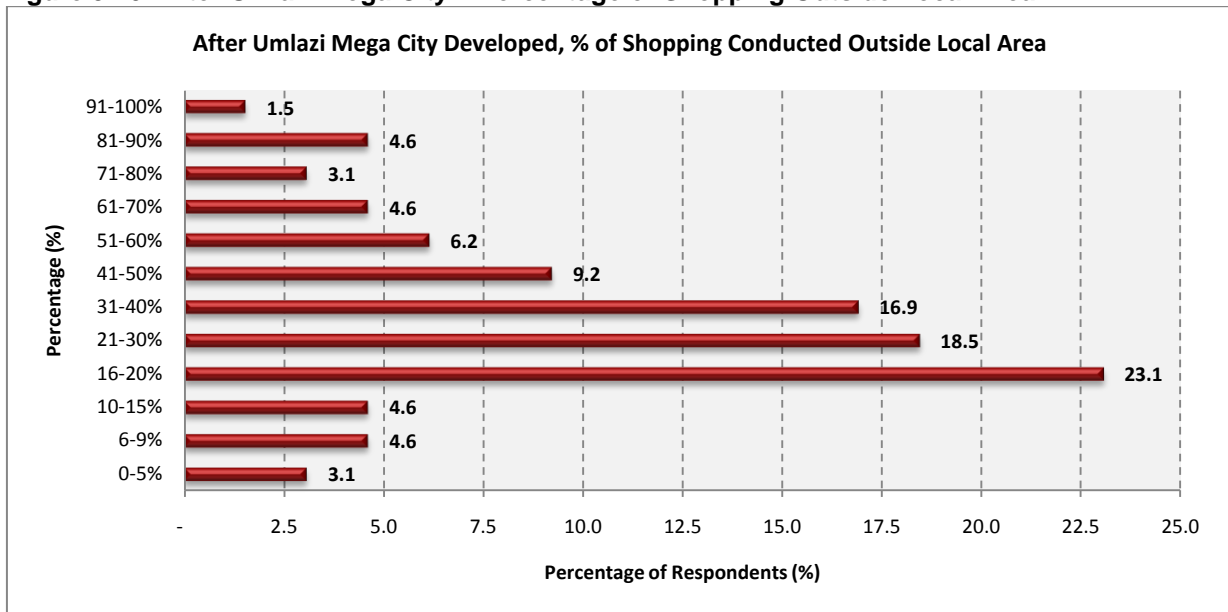**Figure 9.18: Impact of Umlazi Mega City on Consumer Behaviour**
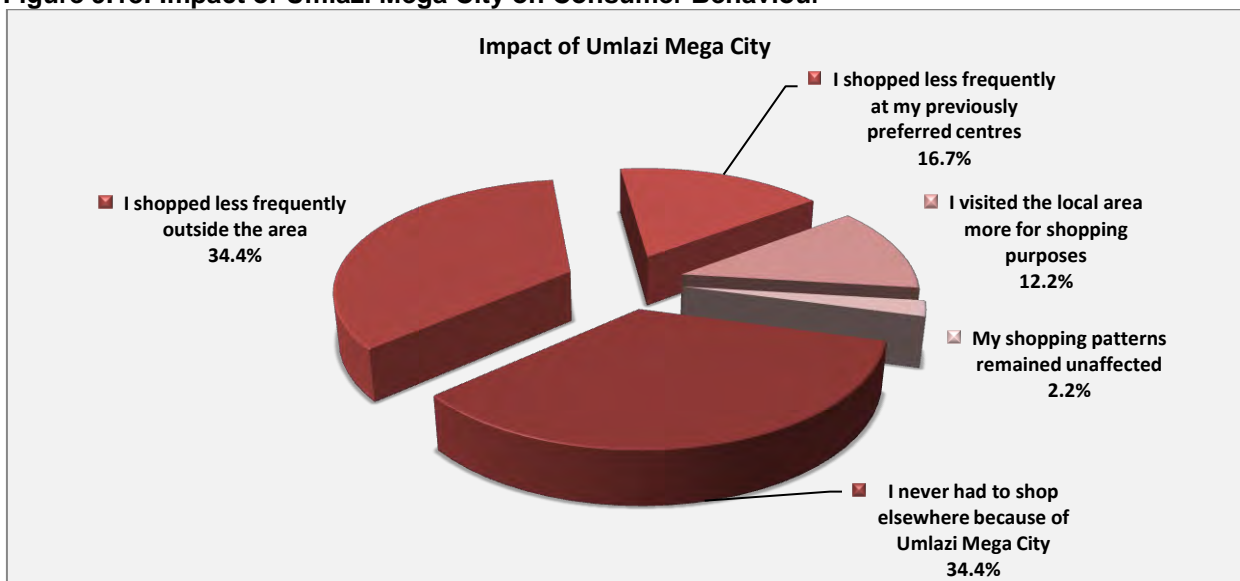
Source: Demacon Household Surveys, 2009

Figure 9.19: Retail Location After Umlazi Mega City
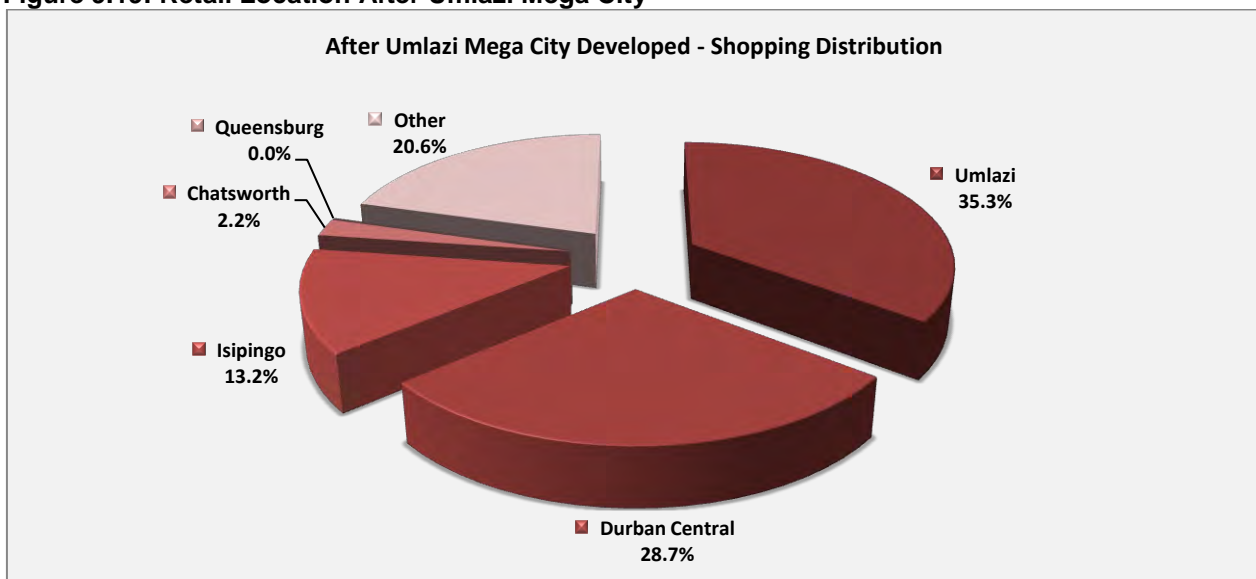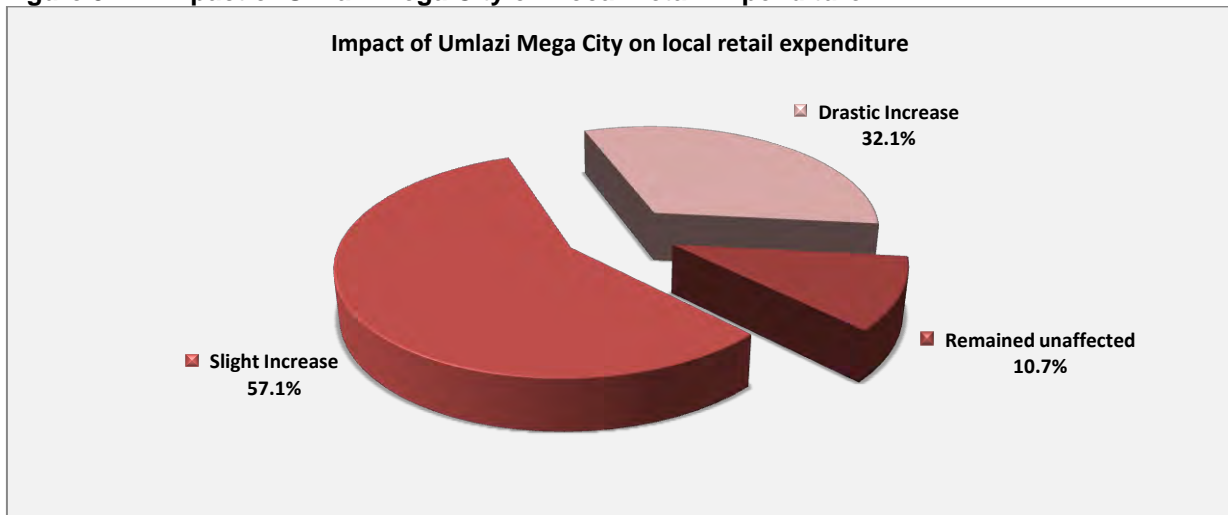

Source: Demacon Household Surveys, 2009

Figure 9.20: After Umlazi Mega City – Percentage of Shopping Outside Local Area

Source: Demacon Household Surveys, 2009

Figure 9.21: Impact of Umlazi Mega City on Local Retail Expenditure
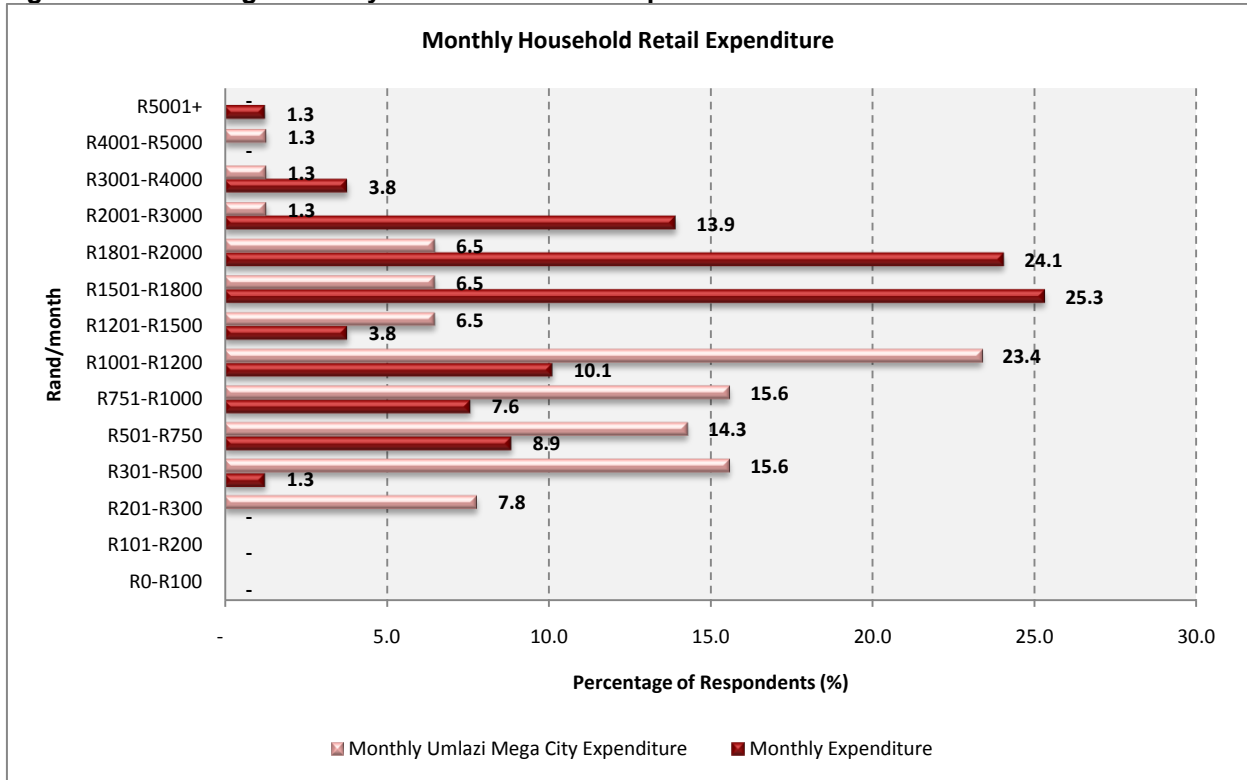

Source: Demacon Household Surveys, 2009

Findings: (Figures 9.18 to 9.21)

✓ The development of Umlazi Mega City had a positive impact on consumer behaviour – 34.4% indicated that they never have to shop elsewhere, 34.4% indicated that they shop less frequently outside of the area, 16.7% indicated that they shop less frequently at their previously preferred retail centres, 12.2% indicated that they visit the area more for shopping purposes. A mere 2.2% of respondents indicated that their shopping patterns have remained unaffected. This reflects high levels of consumer elasticity in the market.

✓ The development of Umlazi Mega City also had a positive impact on respondents' shopping locations – 35.3% of shopping is now conducted in Umlazi, 28.7% Durban Central, 20.6% in other areas, 13.2% in Isipingo, 2.2% in Chatsworth and none in Queensburg.

✓ After the development of Umlazi Mega City, the percentage of shopping conducted outside of the local area declined to a weighted average[82] of **34.2%.**

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[82] 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.

✓ The development of Umlazi Mega City had a slight impact on local retail expenditure (57.1%).
✓ A large segment of respondents (32.1%) indicated the development of the mall had a drastic impact on their local retail expenditure, whereas a small segment of 10.7% indicated that the development of the mall had no impact on their local retail expenditure.

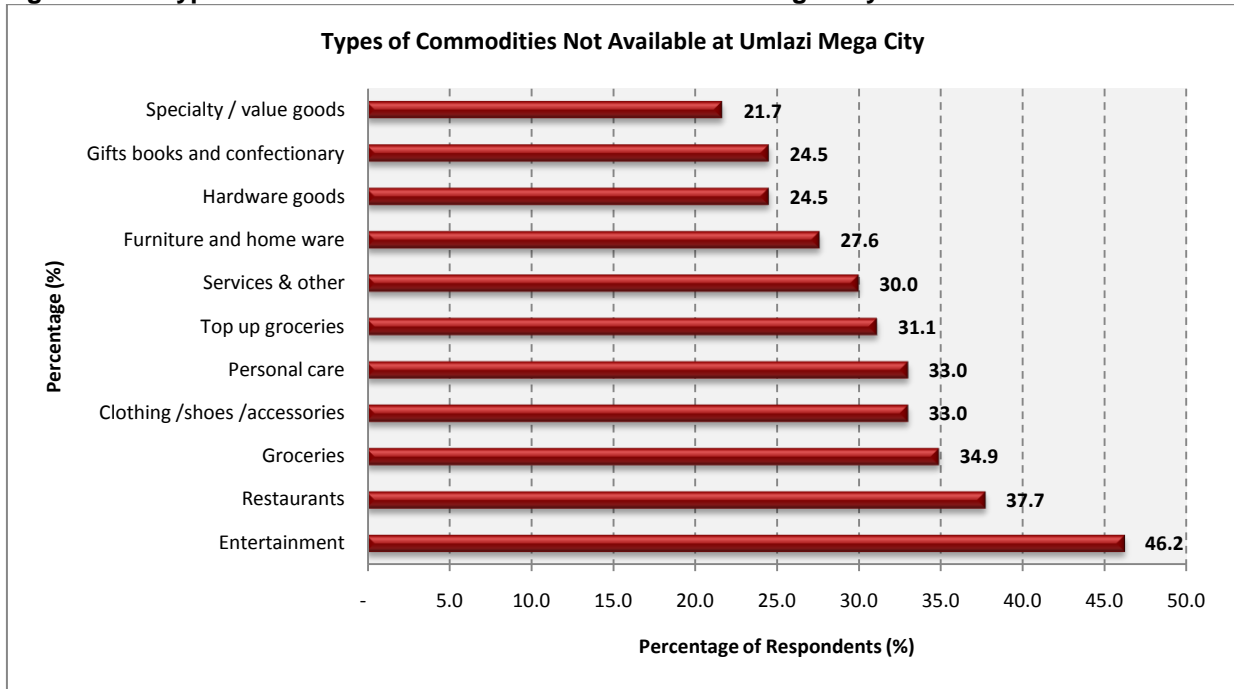**Figure 9.22: Average Monthly Household Retail Expenditure**

Source: Demacon Household Surveys, 2009

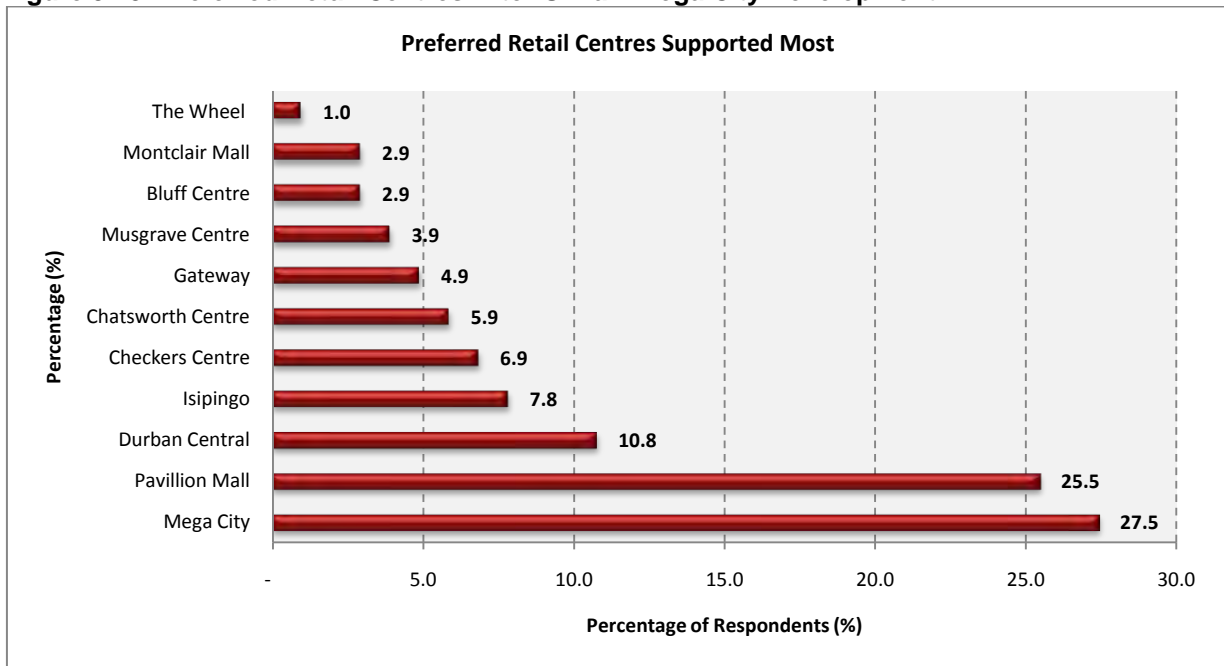**Figure 9.23: Type of Commodities Predominantly Purchased at Umlazi Mega City**
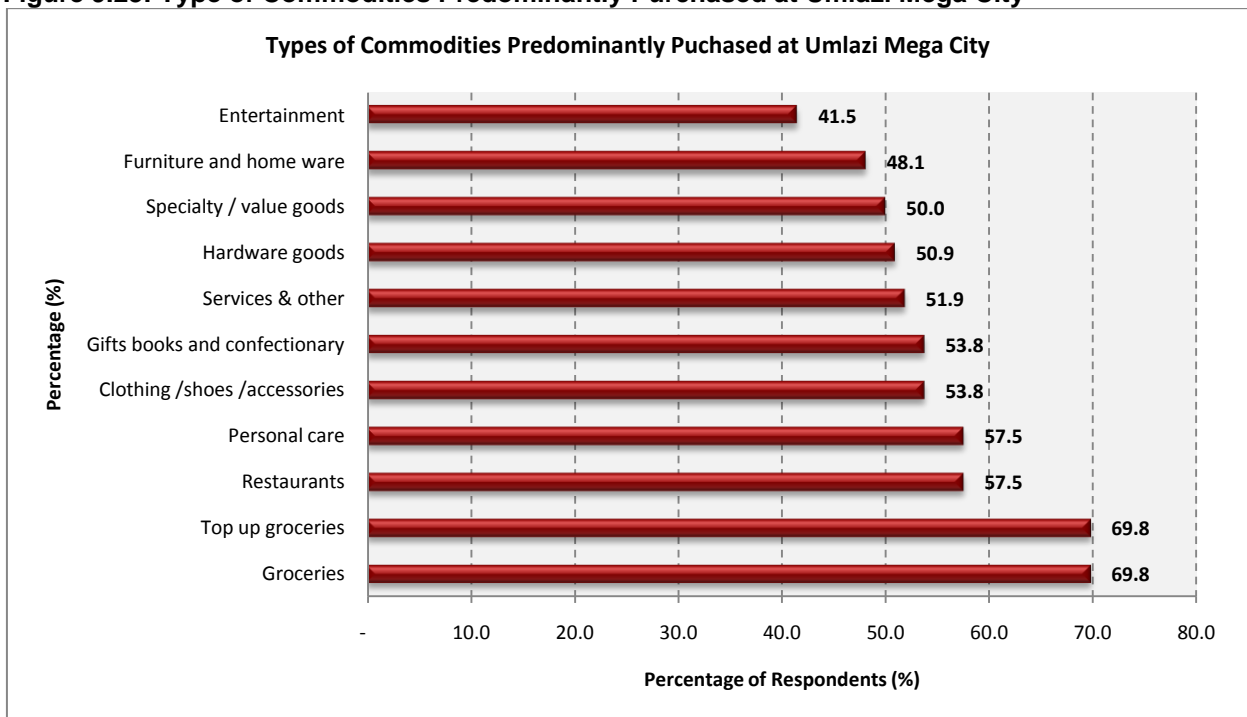
Source: Demacon Household Surveys, 2009

Figure 9.24: Types of Commodities Not Available at Umlazi Mega City

Source: Demacon Household Surveys, 2009

Figure 9.25: Preferred Retail Centres After Umlazi Mega City Development
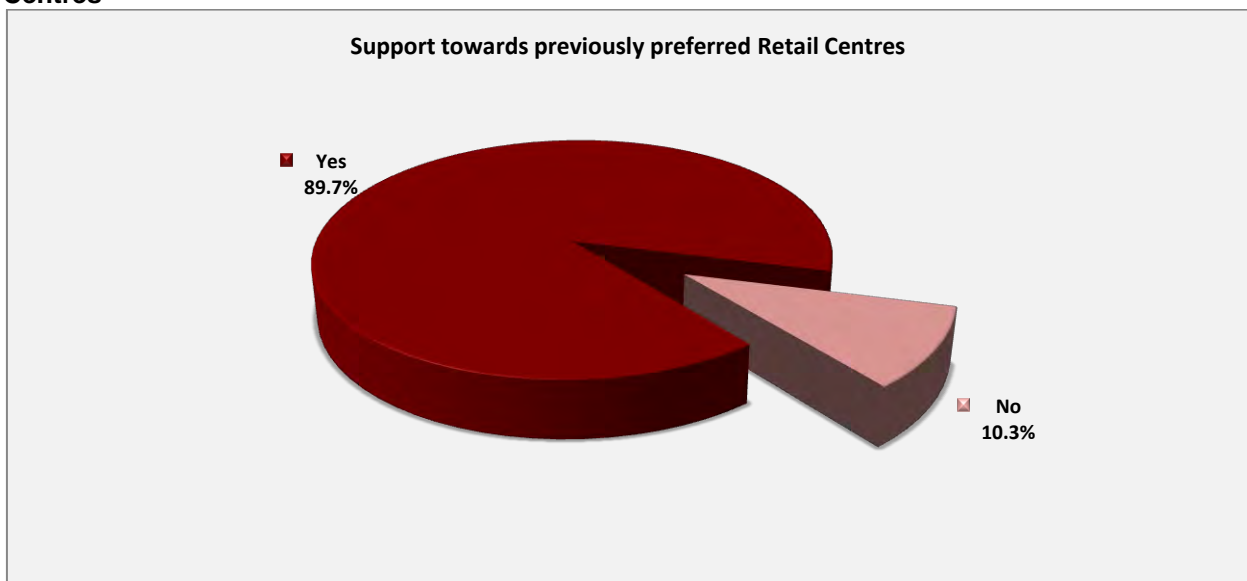

Source: Demacon Household Surveys, 2009

Findings: (Figures 9.22 to 9.25)

✓ The largest segment of households indicated that they spend between R1 500 and R3 000 on monthly shopping – 63.3%, this is followed by 30.4% indicating amounts between R500 and R1 500, 5.1% indicated more than R3 000 a month and a low 5.1% reflected amounts below R500. The average weighted amount spent on shopping is **R1 633.1**.

✓ The majority of respondents also indicated that they spend between R300 and R1 200 per month at Umlazi Mega City – 68.9%, supported by 23.5% indicating expenditures of R1 200 to R5 000 at Umlazi Mega City and a mere 7.8% indicated amounts below R300 per month. The average weighted monthly amount spent at Umlazi Mega City is **R1 016.4.**

✓ In terms of the types of commodities predominantly purchased at Umlazi Mega City the following categories prevail: monthly groceries, top-up groceries, restaurants, personal care, clothing and shoes, gifts, books and confectionary and services.

✓ In terms of the type of commodities not available at Umlazi Mega City the following categories prevail: entertainment, restaurants, groceries, clothing, personal care and top-up groceries.

✓ Respondents also indicated their preferred retail centres after the development of Umlazi Mega City: Umlazi Mega City (27.5%), Pavillion (25.5%), Durban Central (10.8%), Isipingo Centre (7.8%), Checkers Centre (6.9%) and to a lesser extent Chatsworth Centre, Gateway, Musgrave Centre, Bluff Centre, Montclair Centre, The Wheel.

Figure 9.26: Since Development of Umlazi Mega City - Support for Previously Preferred Retail Centres
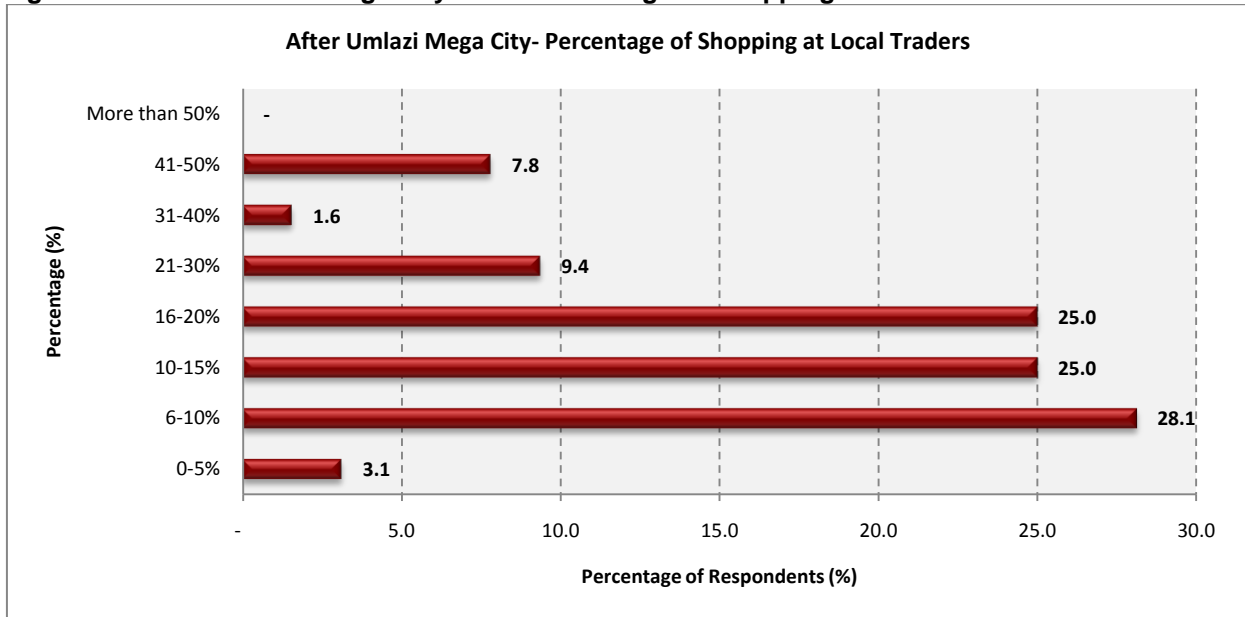

Source: Demacon Household Surveys, 2009

**Figure 9.27: Reasons for Support For These Centres**
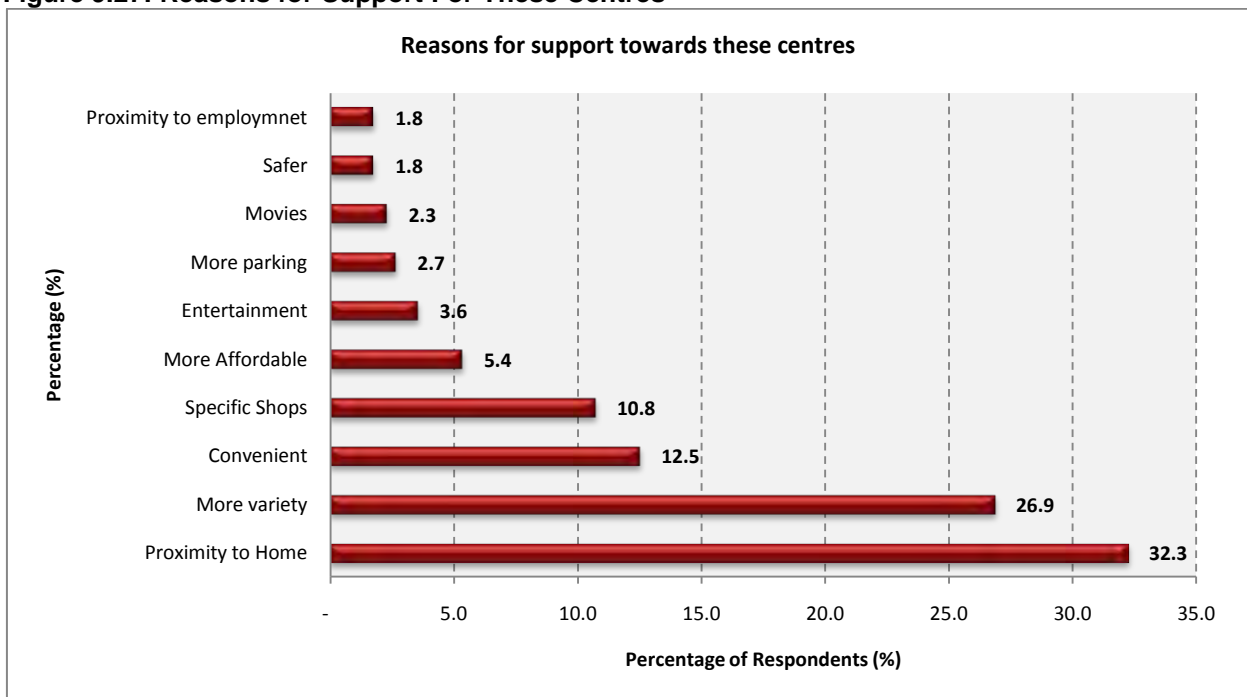
Source: Demacon Household Surveys, 2009

Figure 9.28: After Umlazi Mega City What Percentage of Shopping is Conducted at Local Traders

After Umlazi Mega City- Percentage of Shopping at Local Traders

Source: Demacon Household Surveys, 2009

Figure 9.29: Impact of Umlazi Mega City on Local Trader Support

Impact of Umlazi Meg City on Support towards Local Traders
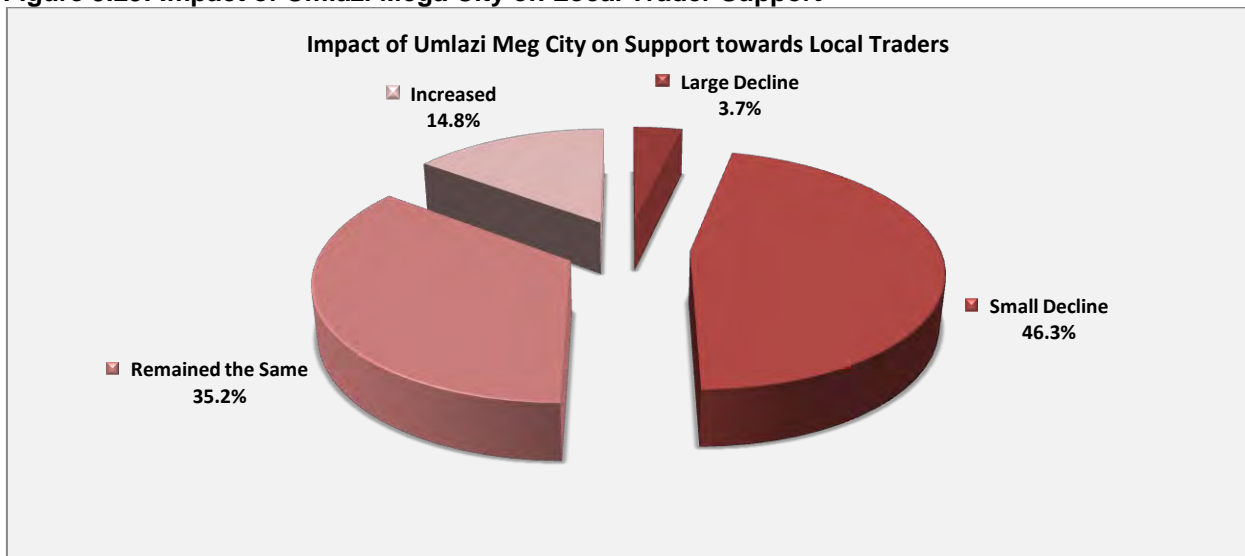
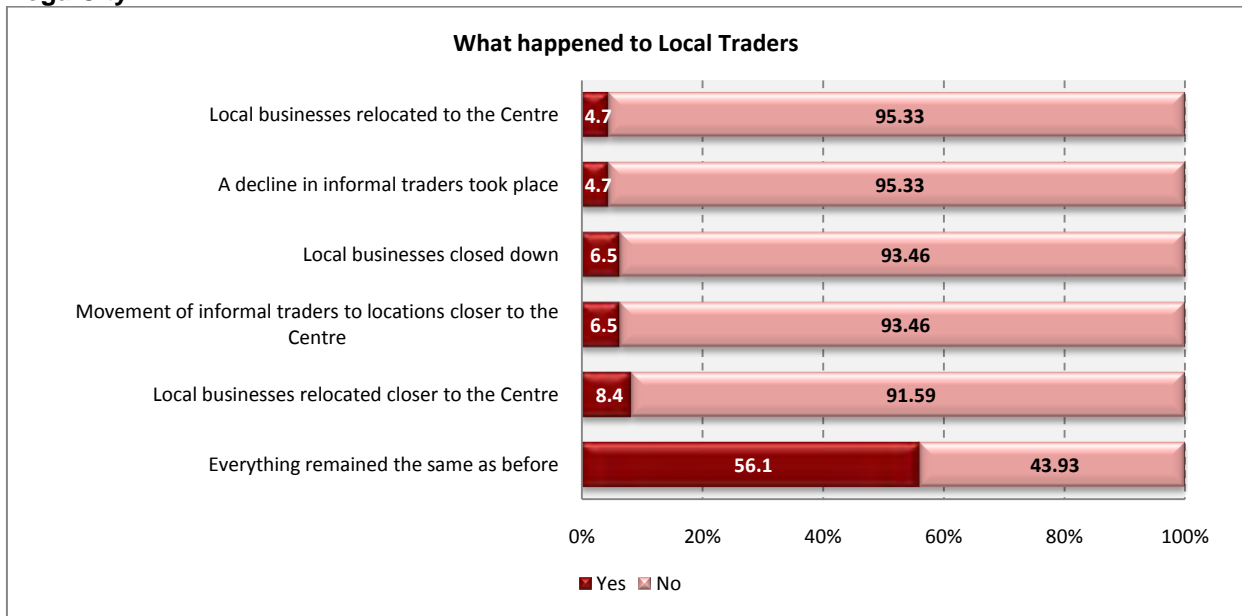*Source: Demacon Household Surveys, 2009*

Findings: (Figures 9.26 to 9.30)

✓ 89.7% of respondents indicated that they still support their previously preferred retail centres after the development of Umlazi Mega City.

✓ The dominant reasons for respondents' continued support towards previously preferred retail centres are: proximity to their homes, more variety, convenience, specific shops, better affordaility, entertainment, more parking, cinemas, safety and proximity to place of employment.

✓ Since the development Umlazi Mega City, the majority of respondents conduct between 10% and 20% of shopping at local traders – 50.0%, 28.1% conduct between 6% and 10% of shopping at local traders and 18.8% conduct more than 20% of shopping at local traders. The weighted average support for local traders amounts to **16.5%[83]**.

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[83] 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.

✓ Overall, the development of Umlazi Mega City has resulted in a slight decline in support for local traders **(46.3%),** followed by **35.2%** of respondents indicating that support remained the same, 14.8% indicated an increase in support and 3.7% indicated a large decline.
✓ In terms of changes to the local trader environment the following were perceived:
   • The majority indicated that everything remained the same – 56.1%;
   • 8.4% indicated a movement of local businesses closer to the mall;
   • 6.5% indicated a closure of local businesses;
   • 6.5% indicated a movement of informal traders to locations closer to the mall;
   • 4.7% indicated a decline in informal traders;
   • 4.7% indicated a movement of local businesses to the mall.

**Figure 9.30: Perceived General Trends Pertaining to Local Traders After Development of Umlazi Mega City**

Source: Demacon Household Surveys, 2009
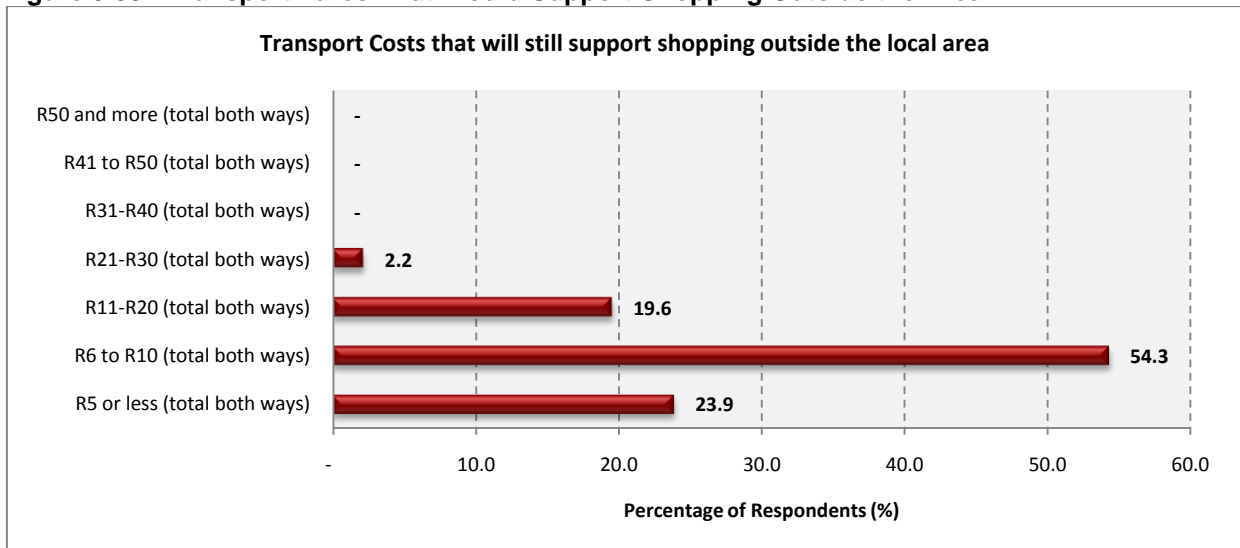
Figure 9.31: Average Taxi/Bus Fares
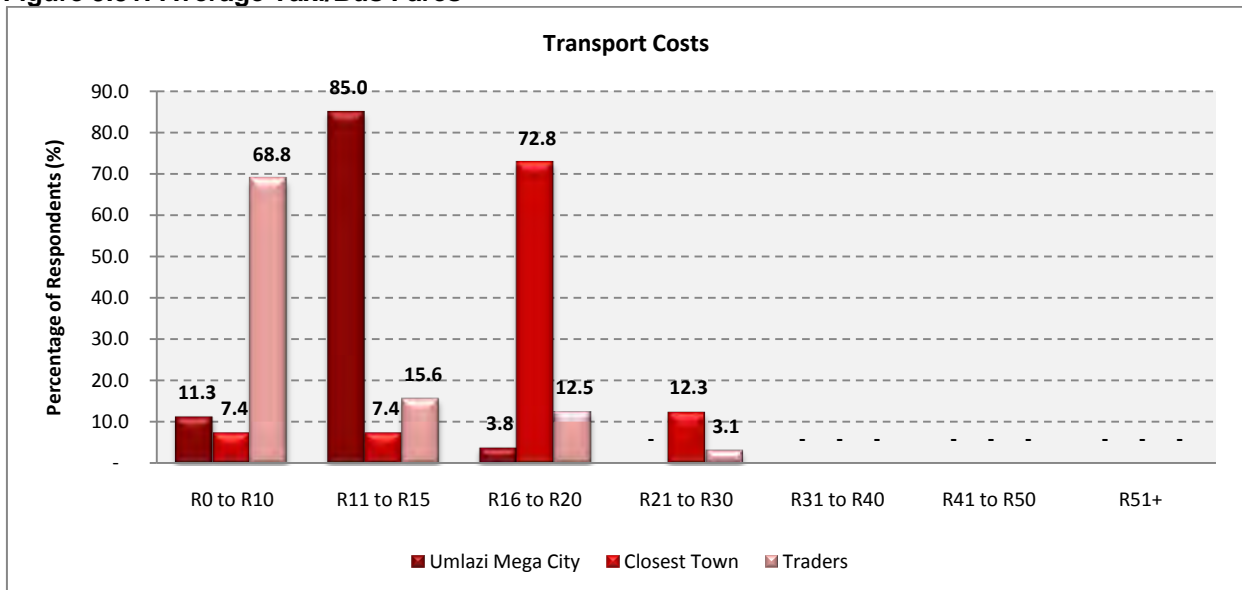
Source: Demacon Household Surveys, 2009

Figure 9.32: To What Extent Do Higher Transport Fares Deter you from Buying Outside the Local Area?

Transport fares deterrent to buying outside?

Slight Deterrent 69.4%

Significant Impact 16.3%

No Deterrent 14.3%
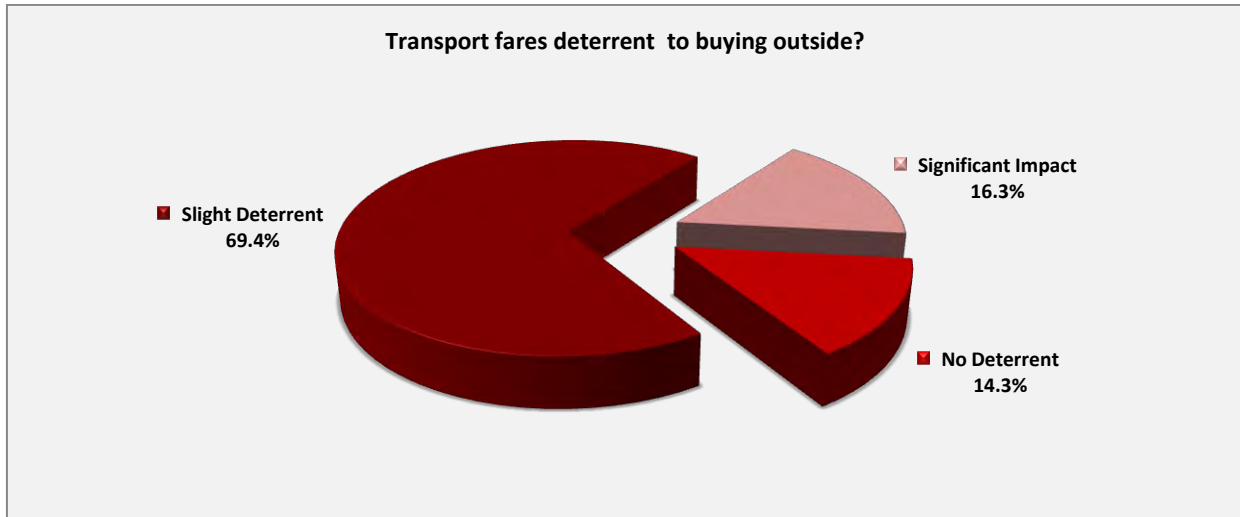
Source: Demacon Household Surveys, 2009

Figure 9.33: Transport Fares That Would Support Shopping Outside the Area

Transport Costs that will still support shopping outside the local area

- R50 and more (total both ways): -
- R41 to R50 (total both ways): -
- R31-R40 (total both ways): -
- R21-R30 (total both ways): 2.2
- R11-R20 (total both ways): 19.6
- R6 to R10 (total both ways): 54.3
- R5 or less (total both ways): 23.9

Percentage of Respondents (%)
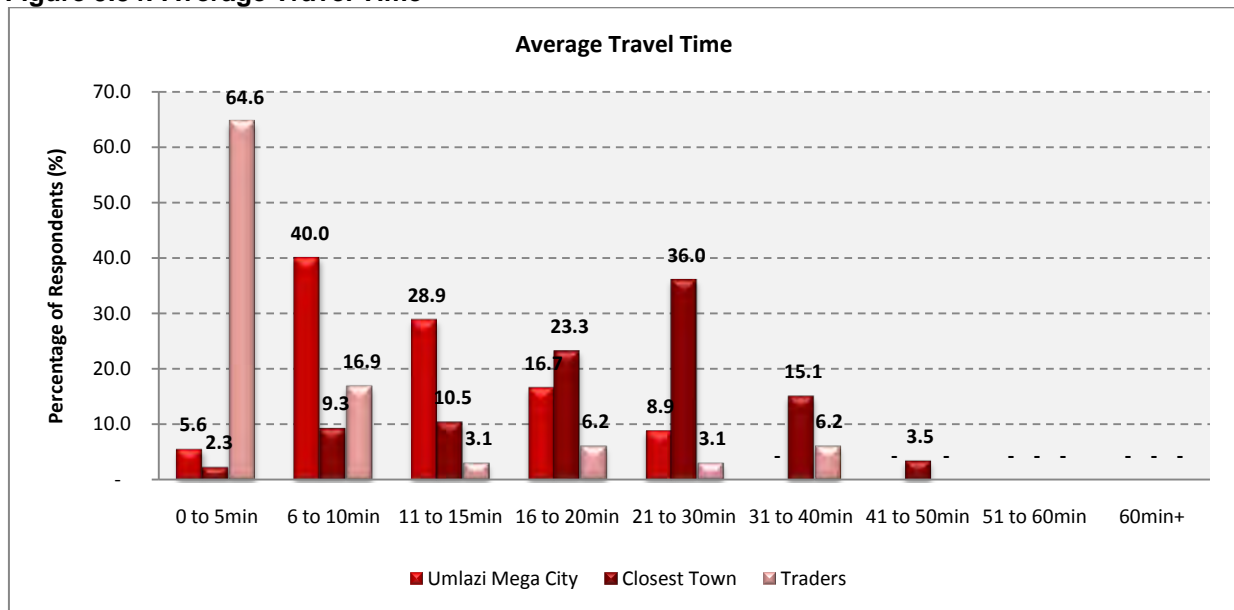
Source: Demacon Household Surveys, 2009

Findings: (Figures 9.31 to 9.33)

✓ In terms of the travel fares to Umlazi Mega City, the majority of respondents pay between R11 and R15 for a round trip – 85.0%, followed by 11.3% of respondents indicating that they pay less than R10 for a round trip. The average weighted travel fare for a round trip to Umlazi Mega City is **R12.30.**

It is important to note that the development of Umlazi Mega City had a positive impact on the cost of transport to formal retail centres. Before Umlazi Mega City 37.3% of respondents paid more than R15 taxi / bus fares to reach a formal retail centre. After the development of Umlazi Mega City this percentage declined to a mere 3.7%.

✓ In terms of travel fares to the closest town; the majority of respondents indicated that they pay between R16 and R20 for a round trip – 72.8%, followed by 14.8% indicating that they pay less than R16 and 12.3% indicated that they spend between R21 and R30 for a round trip. The average weighted fares for a round trip to the closest town amount to **R17.60.**

✓ In terms of travel fares to local traders; the majority of respondents indicated that they pay less than R10 for a round trip – 68.8%, followed by 18.1% indicating that they pay between R11 and R20 and 3.1% indicating costs of between R21 and R30. The average weighted travel fares to local traders amount to **R8.50.**

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✓ The majority of respondents indicated that transport fares represent a slight deterrent to their shopping outside of the area – **69.4%.** A small segment of 16.3% indicated that they represent a significant deterrent and 14.3% indicated that they do not represent a deterrent at all.

✓ The majority of respondents indicated that for transport fares of less than R10 for a round trip they would support shopping outside the area – 78.2%. This is followed by 19.6% of respondents indicating an amount between R11 and R20 and 2.2% indicating amounts between R21 and R30. The average weighted transport fares promoting shopping outside the area amount to **R8.53** for a round trip.

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 9.34: Average Travel Time

Source: Demacon Household Surveys, 2009

Findings: (Figure 9.34)

✓ The average travel time to Umlazi Mega City – the largest segment of respondents indicated travel times of between six and 10 minutes – 40.0%, followed by 28.9% of respondents indicating travel times between 11 and 15minutes, 16.7% indicating travel times between 16 and 20 minutes, 8.9% indicating travel times between 21 to 30 minutes and only 5.6% indicating travel times below five minutes. The average weighted travel time to Umlazi Mega City amounts to **12.4 minutes**.

It is important to note that the development of Umlazi Mega City had a positive impact on travel times to formal retail centres. Before the development of Umlazi Mega City 45.3% of respondents travelled for fewer than 15 minutes to a formal retail centre. After the development of Umlazi Mega City this percentage increased to a total of 74.5%.

✓ The majority of respondents indicated average travel times of 21 to 30 minutes to the closest town – 36.0%, this is followed by 18.6% indicating travel times between 31 and 50 minutes, 23.3% indicating travel times between 16 and 20 minutes, 10.5% indicating travel times between 11 and 15 minutes and 14.9% indicating travel times below 10minutes. The average weighted travel time to reach the closest town amounts to **22.5 minutes.**

✓ The majority of respondents indicated average travel times below five minutes to reach local traders – 64.6%, this is followed by 16.9% indicated travel times of between six and 10 minutes, 9.3% indicated travel times between 11 and 20 minutes and 9.3% of respondents indicated travel times of up to 40 minutes. The average weighted travel time amounts to **7.4 minutes**.

9.4.4 FREQUENCY OF VISITS AND DWELL TIME

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

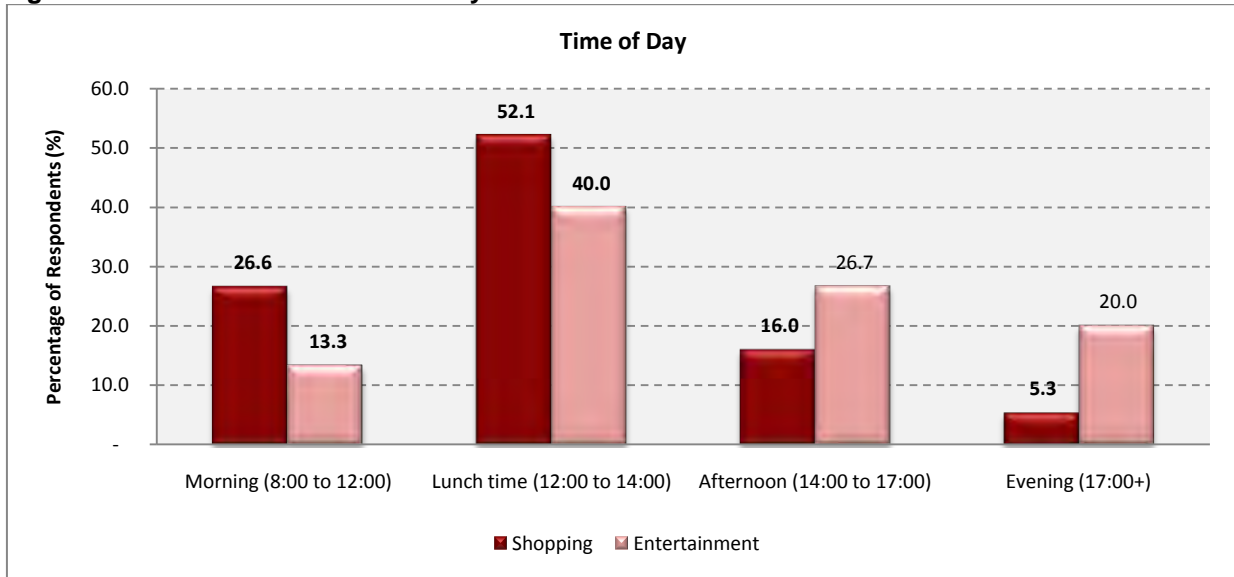**Figure 9.35: Changes to Visits Over Past Year**
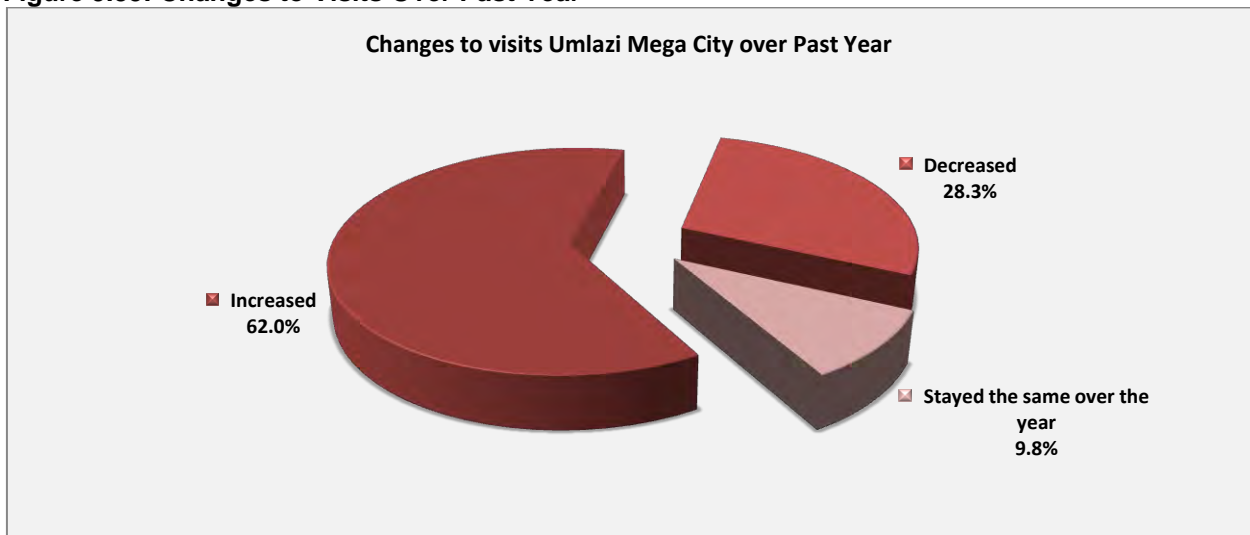
Source: Demacon Household Surveys, 2009

Figure 9.36: Main Purpose for Visiting Umlazi Mega City
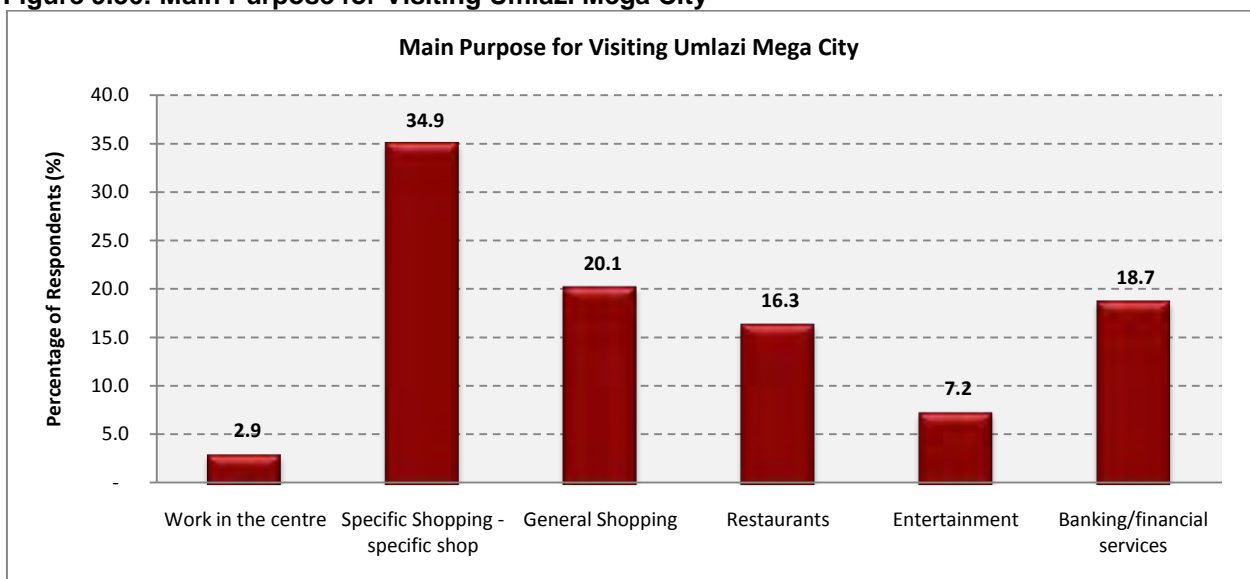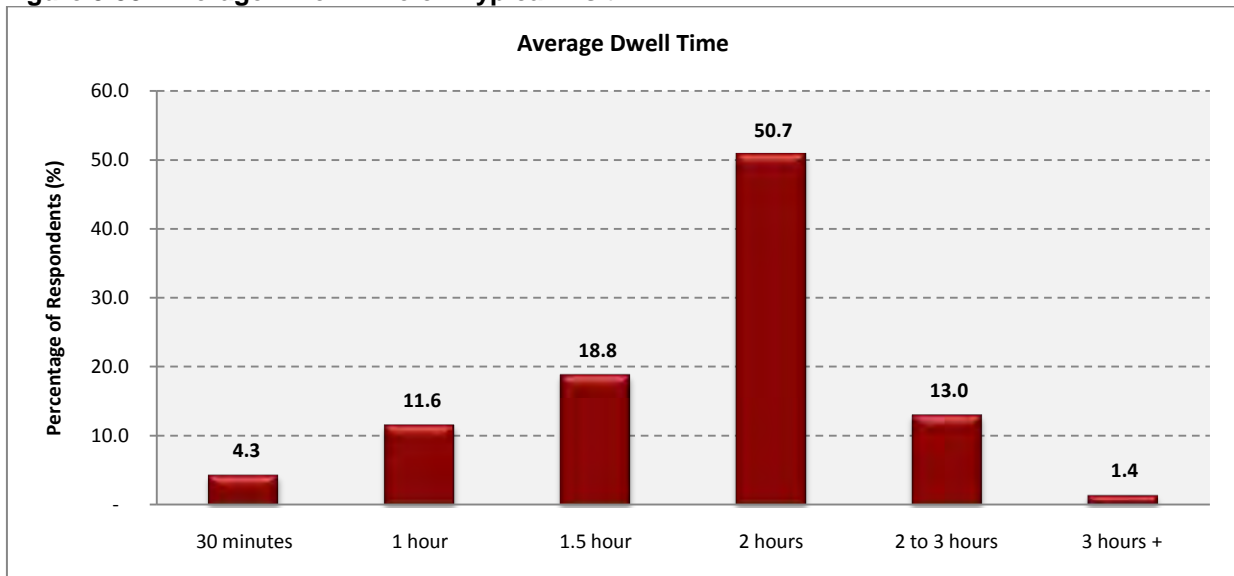

Source: Demacon Household Surveys, 2009

Figure 9.37: Preferred Time of the Day

Source: Demacon Household Surveys, 2009

Figure 9.38: Average Dwell Time on Typical Visit

Source: Demacon Household Surveys, 2009

Findings: (Figures 9.35 to 9.38)

✓ The majority of respondents indicated that their visits to Umlazi Mega City have increased over the past year – 62.0%, 9.8% indicated that their visits remained the same and a relatively large segment of 28.3% indicated that their visits declined.

✓ The main purpose for visiting Umlazi Mega City is for visits to specific shops – 34.9%, followed by general shopping (20.1%), banking and financial services (18.7%) and restaurants (16.3%).

✓ The preferred time of the day to shop at the mall is over lunch time (52.1%), in the morning (26.6%), to a lesser extent in the afternoon (16.0%) and evenings (5.3%).

✓ The preferred time of the day to visit the centre for entertainment is over lunch time (40.0%), in the afternoon (26.7%), evenings (20.0%) and to a lesser extent in the morning (13.3%).

✓ The average dwell time is mainly two hours – 50.7%, followed by 18.8% indicating dwell times of 1.5 hours and 13.0% indicating dwell times of between two and three hours.

Smaller percentages of respondents spend less than an hour or more than three hours in the mall.

9.4.5 SATISFACTION WITH UMLAZI MEGA CITY

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 9.39: Overall Level of Satisfaction With Umlazi Mega City

Source: Demacon Household Surveys, 2009

The majority of respondents indicated that they regard Umlazi Mega City as an acceptable retail centre (43.0%), supported by 37.2% of respondents indicating that they are satisfied and 15.1% indicating that they are more than satisfied with Umlazi Mega City as retail centre. A mere 4.7% indicated negative levels of satisfaction.

Table 9.6: Rating of Umlazi Mega City Elements

	Rating					Total
	1	2	3	4	5	
TENANT MIX						
Overall image of the centre	-	6.1	22.2	**37.4**	34.3	100.0
Variety of stores	-	4.4	28.6	**50.5**	16.5	100.0
Presence of local stores/tenants	-	4.4	27.8	**43.3**	24.4	100.0
Presence of national tenants	-	3.4	35.2	**37.5**	23.9	100.0
Location of stores in relation to each other	-	2.4	26.5	**50.6**	20.5	100.0
Clothing Store selection and availability	-	4.7	31.8	**50.6**	12.9	100.0
Convenience services selection and availability	-	4.9	34.1	**41.5**	19.5	100.0
Books / cards / stationery shop selection and availability	-	7.1	25.9	**51.8**	15.3	100.0
Entertainment and restaurant selection and availability	3.4	13.6	30.7	**39.8**	12.5	100.0
Health and beauty selection and availability	-	9.5	33.3	**45.2**	11.9	100.0
Home furnishing and furniture selection and availability	1.2	11.1	30.9	**44.4**	12.3	100.0
Bank / ATM location and selection	1.1	9.0	29.2	**42.7**	18.0	100.0
Availability and selection of speciality shops	1.3	11.8	28.9	**42.1**	15.8	100.0
PARKING AND ACCESS						
Convenience of the centre's location within the area	-	7.5	23.8	**36.3**	32.5	100.0
Transport to the centre	-	4.2	29.2	**45.8**	20.8	100.0
Link to public transport – taxi/bus ranks	-	-	33.3	**52.4**	14.3	100.0
Accessibility of parking	-	3.6	27.4	**40.5**	28.6	100.0
Adequacy of parking	-	3.6	28.6	**35.7**	32.1	100.0
Ease of access to the entrance of the centre from parking	-	2.5	29.1	**41.8**	26.6	100.0
FACILITIES						
Adequacy / quality of bathroom facilities	-	9.1	15.9	**39.8**	35.2	100.0
Adequacy of disability facilities	-	3.8	25.3	32.9	**38.0**	100.0
Availability of information kiosks and staff	-	5.1	**32.9**	30.4	31.6	100.0
Sufficiency of lifts / escalators	2.4	4.9	**39.0**	24.4	29.3	100.0
Availability of mall layout plans and centre signage	2.5	5.0	28.8	28.8	**35.0**	100.0

		Rating				Total
	1	**2**	**3**	**4**	**5**	
CLEANING						
The overall cleanliness of the centre	-	6.0	17.0	37.0	**40.0**	100.0
MAINTENANCE						
The overall maintenance of the centre	1.1	-	20.0	**40.0**	38.9	100.0
SECURITY						
Safety in the shopping centre and parking area	2.0	2.0	17.0	**43.0**	36.0	100.0
LANDSCAPING AND AESTHETICS						
Overall design and features of the centre	1.1	1.1	14.8	38.6	**44.3**	100.0

Source: Demacon Household Surveys, 2009

Findings: (Table 9.6)

✓ It is evident that the majority of tenants are satisfied with the tenant mix of Umlazi Mega City – rating it as good. However, aspects that could be improved include entertainment and restaurants, home furnishing and furniture and speciality stores.
✓ The majority of respondents also rated the parking facilities as good.
✓ In terms of public facilities, the majority of respondents rated the bathroom facilities, facilities for the disabled and availability of mall layout plans as good to excellent. However, the majority only rated the availability of information kiosks and sufficiency of lifts and escalators as acceptable.
✓ The overall cleanliness, maintenance, landscaping and aesthetics of the mall are rated as good to excellent by the majority of respondents.

**Figure 9.40: Perceived Aspects That Should Be Addressed to Attract More Consumers**
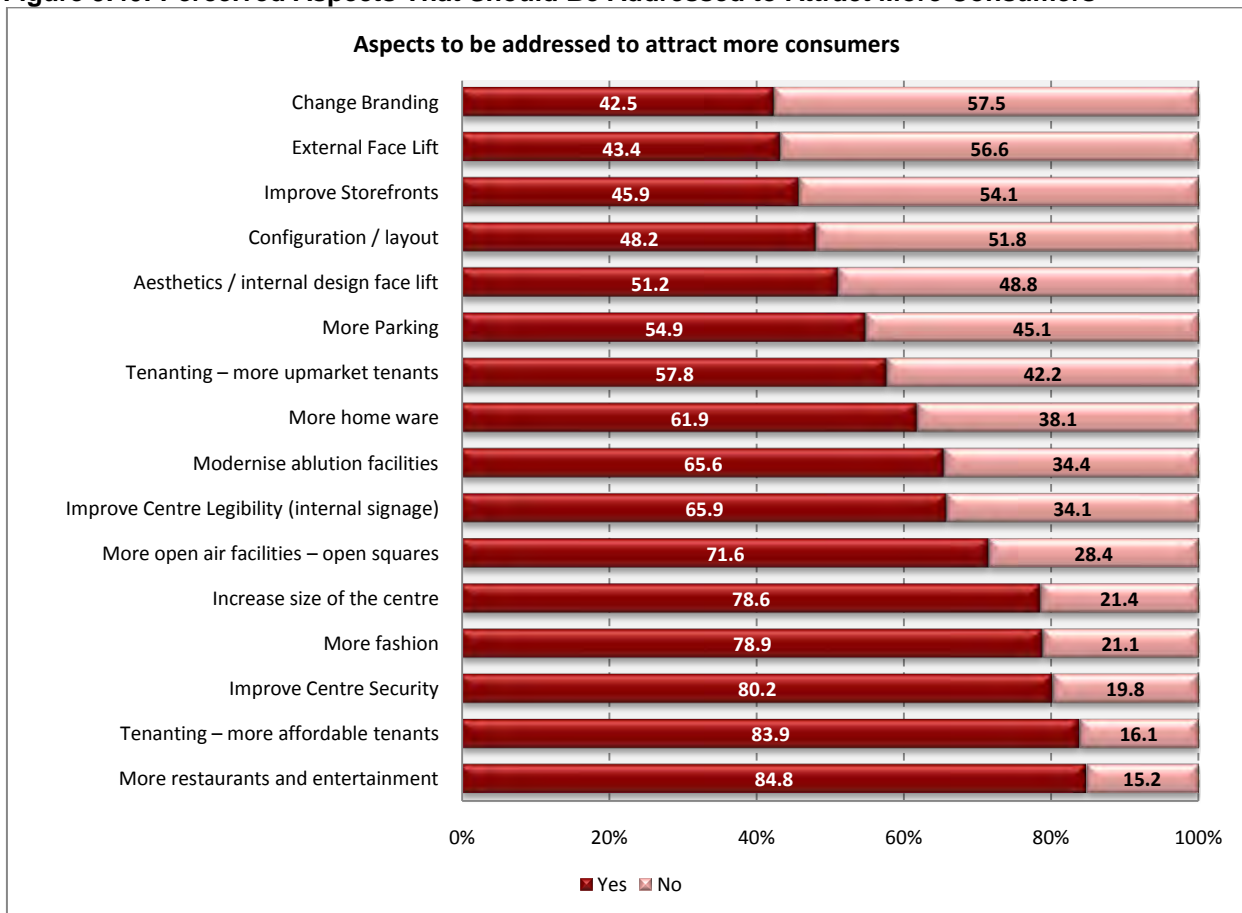
Source: Demacon Household Surveys, 2009

Findings: (Figures 9.40 and 9.41)

✓ The dominant perceived aspects that should be addressed include:
- More restaurants and entertainment;
- More affordable tenants;
- Improve centre security;
- More fashion;
- Increase the size of the centre;
- More open air facilities;
- Improve centre legibility;
- Modernise ablution facilities; and
- Provide more homeware outlets.

✓ The majority of respondents also indicated that provision is made for informal traders.

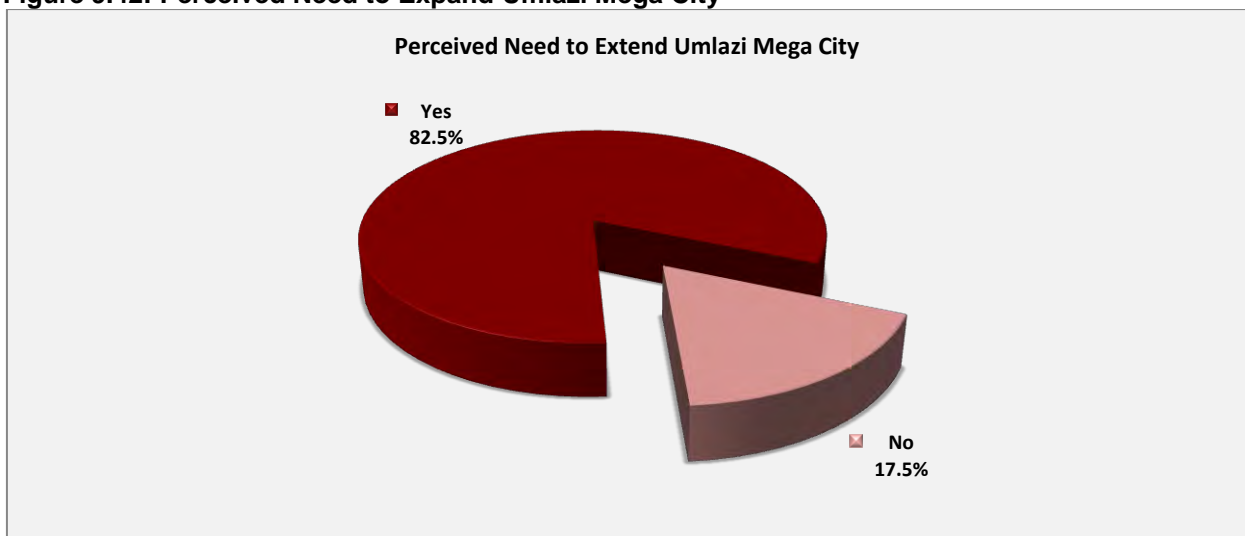**Figure 9.41: Provision Made for Informal Traders**
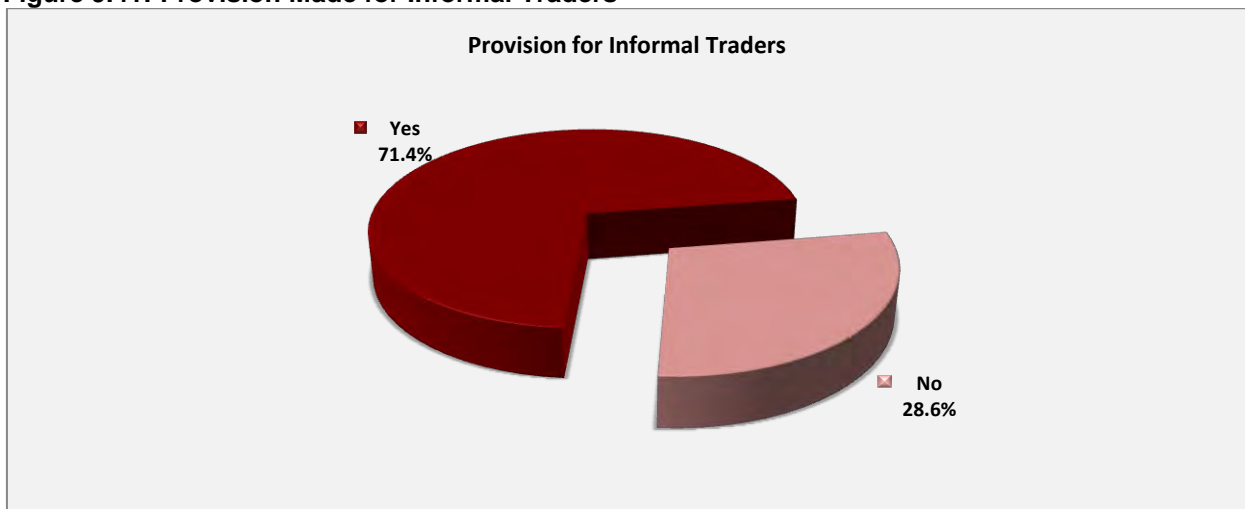
Source: Demacon Household Surveys, 2009

9.4.6 NEED TO EXPAND UMLAZI MEGA CITY

Consumers indicated the perceived need to expand Umlazi Mega City, showing the primary emphasis of the extension.

**Figure 9.42: Perceived Need to Expand Umlazi Mega City**

Source: Demacon Household Surveys, 2009

Findings: (Figures 9.42 and 9.43)

✓ The majority of respondents reflected a perceived need to extend Umlazi Mega City – **82.5%**

✓ The preferred primary emphasis of this extension should be on entertainment, restaurants, convenience/food grocer, financial services, clothing stores and health care.

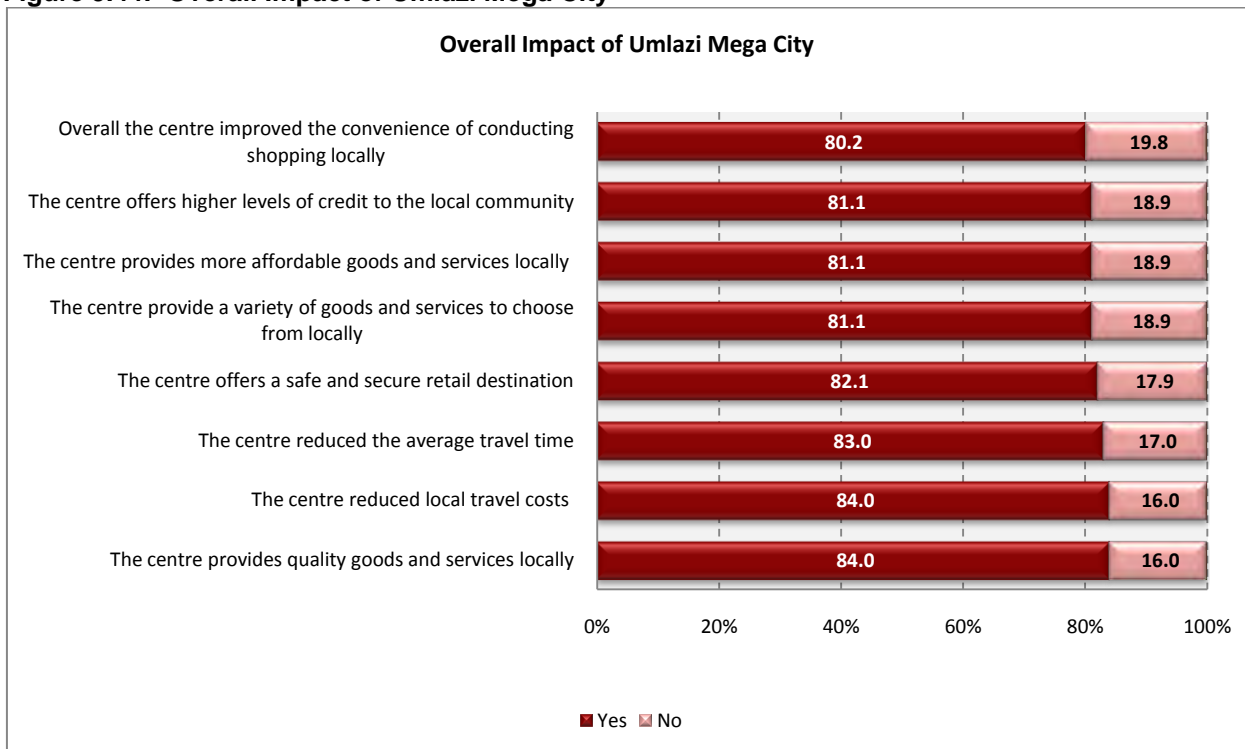**Figure 9.43: Preferred Primary Emphasis of Extension**
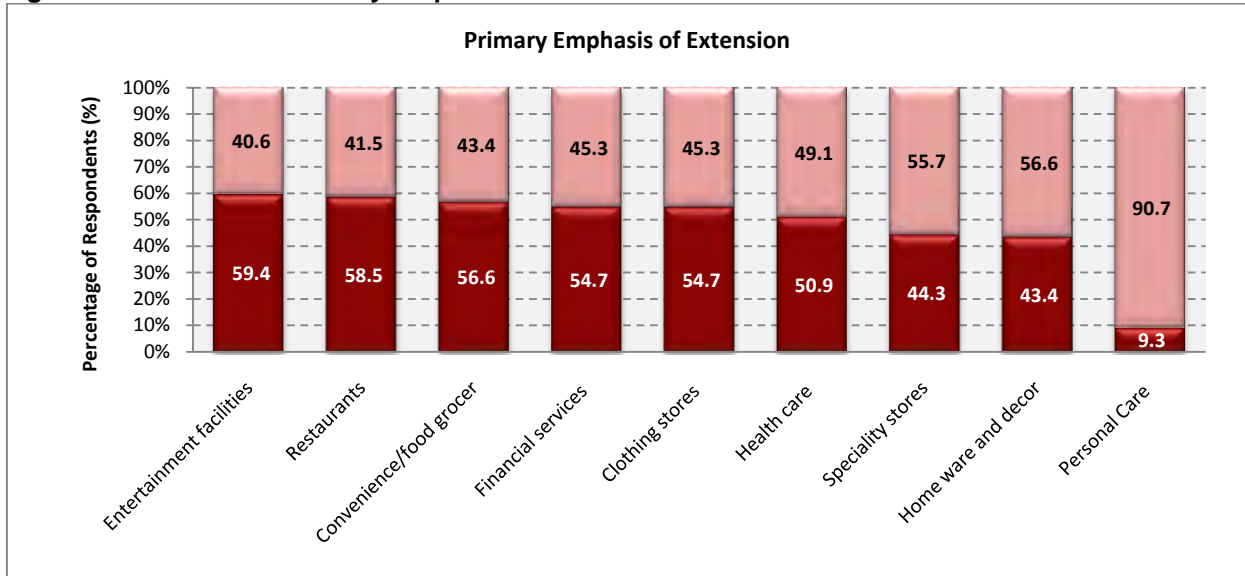
Source: Demacon Household Surveys, 2009

9.4.7 OVERALL IMPACT OF UMLAZI MEGA CITY

Consumers gave feedback on the overall impact that the development of Umlazi Mega City had locally.

Figure 9.44: Overall Impact of Umlazi Mega City

Source: Demacon Household Surveys, 2009

Findings: (Figure 9.44)

The development of Umlazi Mega City resulted in the following dominant impacts:

1. The centre provides quality goods and services locally;
2. The centre reduced travel costs;
3. The centre reduced average travel time;
4. The centre offers a safe and secure retail destination;
5. The centre provide a variety of goods and services to choose from locally;
6. The centre provides more affordable goods and services locally;
7. The centre offers higher levels of credit to the local community than local traders.

9.4.8 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 inaspects had a direct impact on changes to living standards. These changes in living standards are therefore not directly linked to the development of Umlazi Mega City, but are also influenced by an array of factors listed below.

Figure 9.45: Changes in Living Standards – 5 to 10yrs
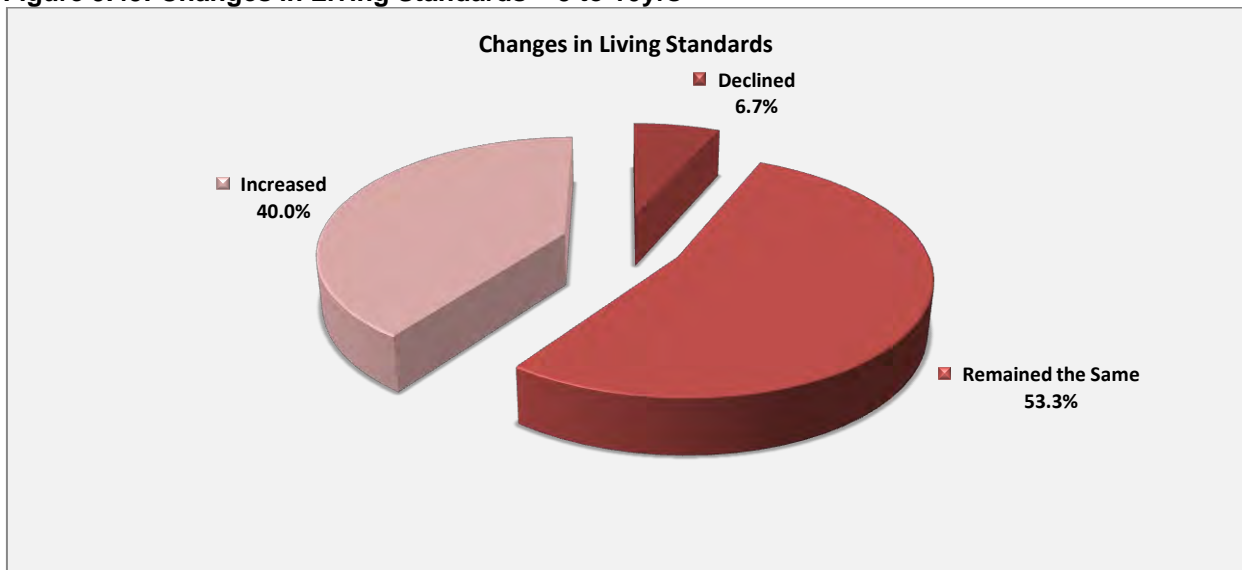
Source: Demacon Household Surveys, 2009

Figure 9.46: Average Monthly Household Income Before Deductions

Average Monthly Household Income
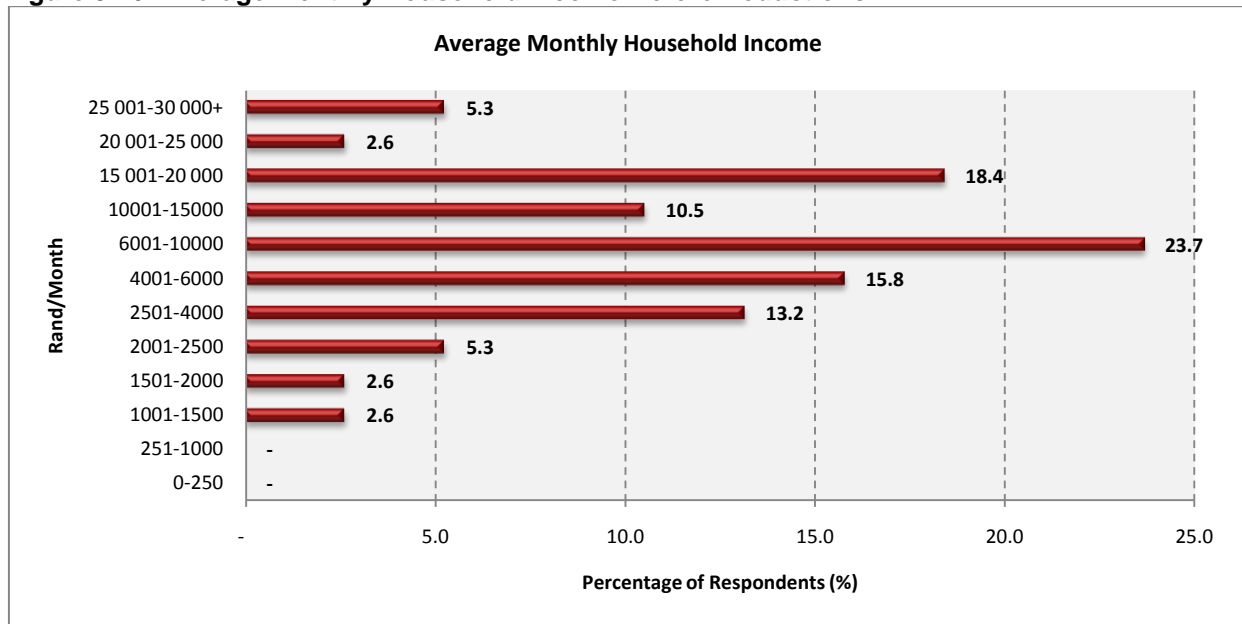
Source: Demacon Household Surveys, 2009

Findings: (Figures 9.45 to 9.46)

✓ The largest segment of respondents (53.3%) indicated that their living standards remained the same over the past five to 10 years, followed by 40.0% indicating an increase in living standards and 6.7% indicating a decline in living standards.

✓ These changes can largely be ascribed to the economic situation, changes in the area and improved access to services and facilities.

✓ The weighted average monthly household income amounts to **R8 967.61.** This is on par with incomes specified under the socio-economic profile.

✓ In terms of remittances, it was indicated that **8.5%** of respondents obtain a certain percentage of their income from remittances. 11.1% of these respondents receive remittances making up 20% of their monthly incomes, 22.2% indicated that remittances make up 50% of their monthly incomes and 66.7% indicated that they make up 100% of their income.

✓ 2.8% of respondents also indicated that a certain segment of their income originates from the social grant system. Respondents indicated that this constitutes between 30% and 40% of their monthly income.

9.5 SYNTHESIS

This chapter provided an in-depth assessment of Umlazi Mega City, 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 Umlazi Mega City had on the local community and economy – Table 9.7.

Table 9.7: Impact of the Development of Umlazi Mega City

	Change	Impact
Changes in shopping location:		
Durban Central	48.2% to 28.7%	⬇
Umlazi	10.2% to 35.3%	⬆
Isipingo	24.1% to 13.2%	⬇
Chatsworth	3.6% to 2.2%	⬇
Queensburg	2.2% to 0.0%	⬇
Other Areas	11.7% to 20.6%	⬆

	Change	Impact
Percentage of shopping conducted outside the local areas	49.9% to 34.2%	⬇
Percentage of shopping at local traders	18.9% to 16.5%	⬇
Average transport cost:		
Retail centre	R13.1 to R12.3	⬇
Local traders	R10.6 to R8.5	⬇
Average travel time:		
Retail centre	18.8min to 12.4min	⬇
Local traders	9.4min to 7.4min	⬇
Monthly household retail expenditure	R974.9 to R1 633.1 Umlazi Mega City – R1 016.4	⬆
Impact on local traders:	Slight to large decline in support – 50.0%	⬇
1. **Everything remained the same**	56.1%	**Constant**
2. **Movement of local businesses closer to the mall**	8.4%	**Positive**
3. **Closure of local businesses**	6.5%	**Negative**
4. **Informal traders moved closer to the mall**	6.5%	**Positive**
5. **Decline in informal traders**	4.7%	**Negative**
6. **Movement of local business to the mall**	4.7%	**Positive**
Overall impact of Umlazi Mega City		
1. **Provide good quality goods and services locally**	84.0%	**Positive**
2. **Reduced average travel cost**	84.0%	**Positive**
3. **Reduced average travel time**	83.0%	**Positive**
4. **Centre provides a safe and secure retail destination**	82.1%	
5. **Centre provides a variety of goods and services to choose from locally**	81.1%	**Positive**
6. **Centre offers higher levels of credit locally**	81.1%	**Positive**
7. **Centre provides more affordable goods and services locally**	81.1%	**Positive**

From Table 9.7 it is evident that the overall impact of Umlazi Mega City 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.

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