CHAPTER SEVEN: IN-DEPTH CASE STUDY ANALYSIS – CENTRAL CITY

7.1 INTRODUCTION

Central City represents a minor regional centre located in Mabopane, Gauteng. 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 has had on the local community and economy.

7.2 CENTRAL CITY PROFILE AND LOCATION WITH REFERENCE TO COMPETITION

7.2.1 CENTRAL CITY PROFILE

Table 7.1 provides a condensed profile of Central City Shopping Centre. Overall, it is evident that it represents a minor regional centre of 52 000m^2 retail GLA, located on Stand 426, Unit E, Central Road, Mabopane in the Gauteng Province. It was developed in 1996 and consists of a single retail floor with 90 shops and 1 030 parking bays. It is anchored by Shoprite, Score Supermarket and Clicks.

Table 7.1: Central City Profile

Centre type	Minor regional centre
Centre size	52 000m^2 retail GLA
Location	Stand 426, Unit E, Central Road, Mabopane
Date of development	1996
Number of retail floors	1
Number of shops	90
Number of parking bays	1 030 open
Anchor tenants	Shoprite Score Supermarket Clicks
Owner	Public Investment Corporation
Developer	Public Investment Corporation

Source: Demacon Ex. SACSC, 2010

7.2.2 CENTRAL CITY LOCATION WITH REFERENCE TO COMPETITION

Map 7.1 indicates the location of Central City with reference to existing retail centres within and just beyond a 10km radius. Table 7.2 provides an overview of the nature and size of these centres.

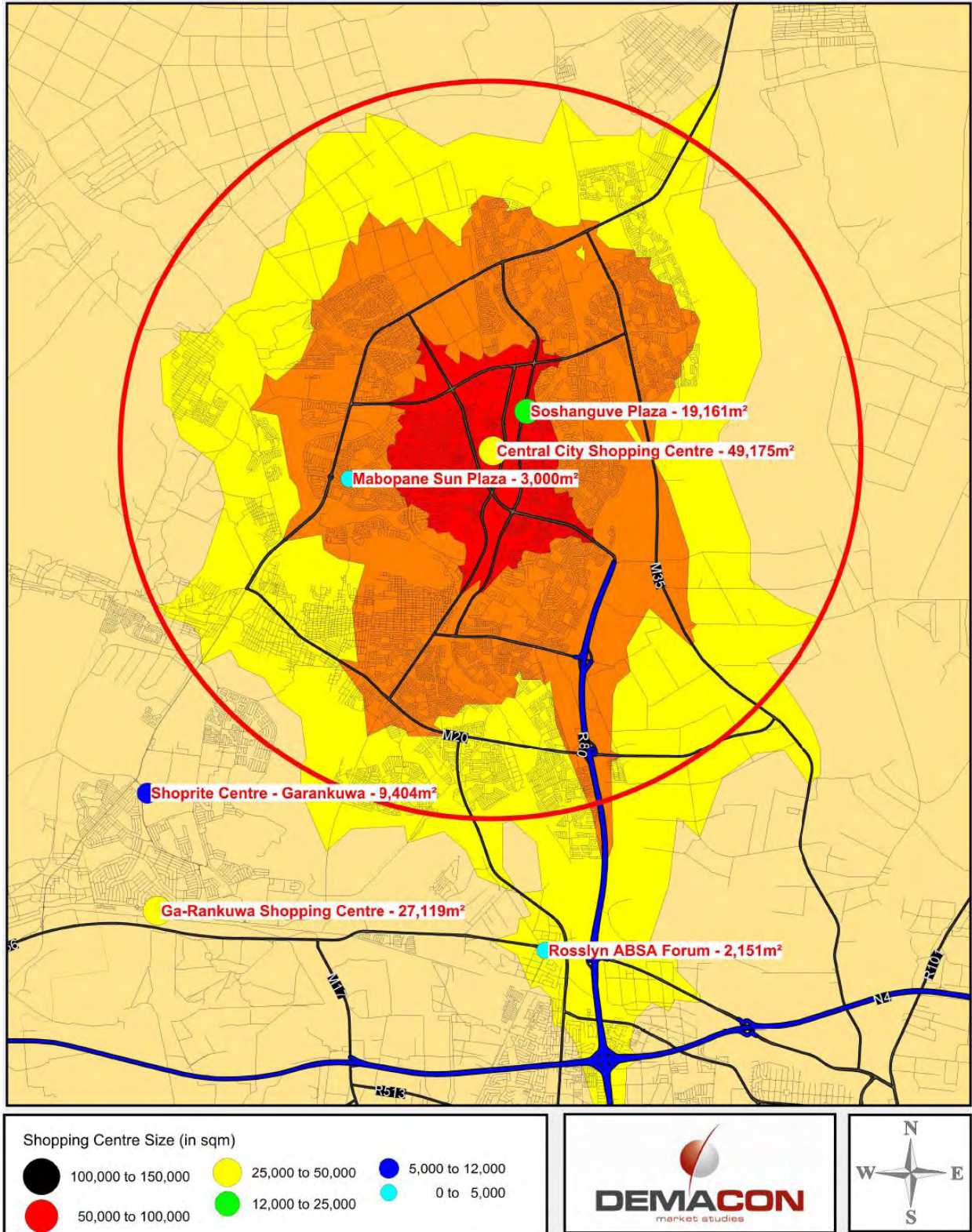**Map 7.1: Location of Central City and Other Retail Centres Within a 10km Radius**

Soshanguve Plaza - 19,161m²

Central City Shopping Centre - 49,175m²

Mabopane Sun Plaza - 3,000m²

Shoprite Centre - Garankuwa - 9,404m²

Ga-Rankuwa Shopping Centre - 27,119m²

Rosslyn ABSA Forum - 2,151m²

Shopping Centre Size (in sqm)

- 100,000 to 150,000
- 50,000 to 100,000
- 25,000 to 50,000
- 12,000 to 25,000
- 5,000 to 12,000
- 0 to 5,000

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Table 7.2: Existing Supply Within 10km from Central City

Centre	Location	Size (m²GLA)	Classification	Developed	Shops	Anchors
Central City Shopping Centre	Mabopane	49 175.0	Minor regional centre	1986	96	Shoprite, Score Supermarket, Clicks
Mabopane Sun Plaza	Mabopane	3 000.0	Local convenience centre	1999	15	Spar, Medical Centre
Soshanguve Plaza	Soshanguve	19 161.8	Community centre	2006	57	Shoprite
Total		71 336.8				

Source: Demacon Ex. SACSC, 2010

- ✓ There are two other retail centres within a 10km radius of Central City.
- ✓ One is located in Johannesburg and the other in Soshanguve.
- ✓ These represent one community and one local convenience centre.
- ✓ The sizes of the centres vary between 3 000m² retail GLA and 19 161.8m² retail GLA.
- ✓ The centres excluding Central City constitute a total of 22 161.8m² of retail GLA.
- ✓ Only one of these centres was developed post 2000.
- ✓ Anchors include Shoprite, Score Supermarket and Clicks.

Three other centres are located within 15km of Central City. Two of these centres are located in Ga-Rankuwa (a community and neighbourhood centre) and one in Rosslyn (neighbourhood centre).

Overall, Central City is located in a market area characterised by low levels of supply, with no direct effective competitive supply of similar scale or nature.

7.3   CONSUMER MARKET PROFILE

In order to understand the consumer market profile of Central City, a 10km trade area was delineated – Refer to Map 7.2. 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.

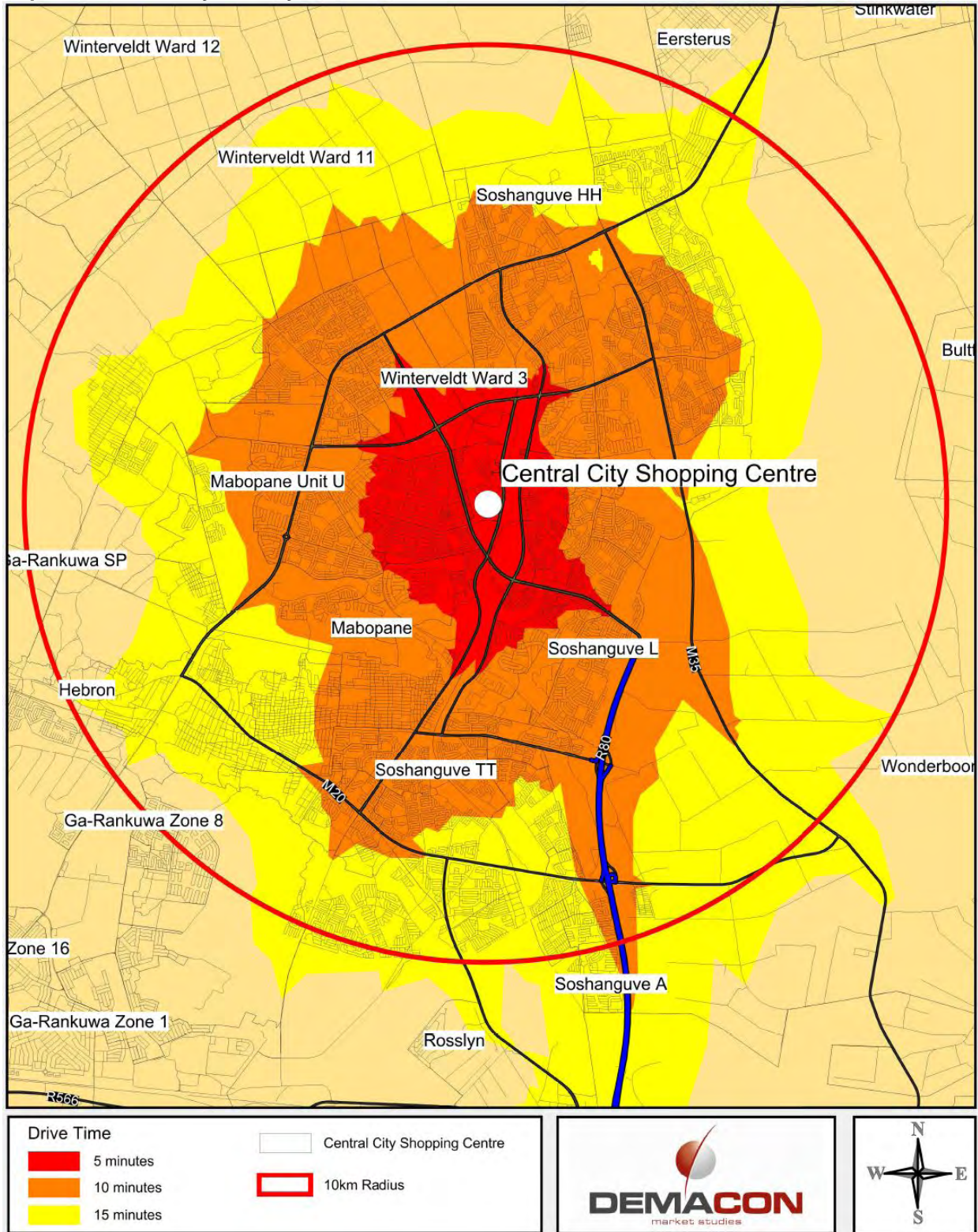**Map 7.2: Central City Primary Trade Area Delineation, 10km Radius**

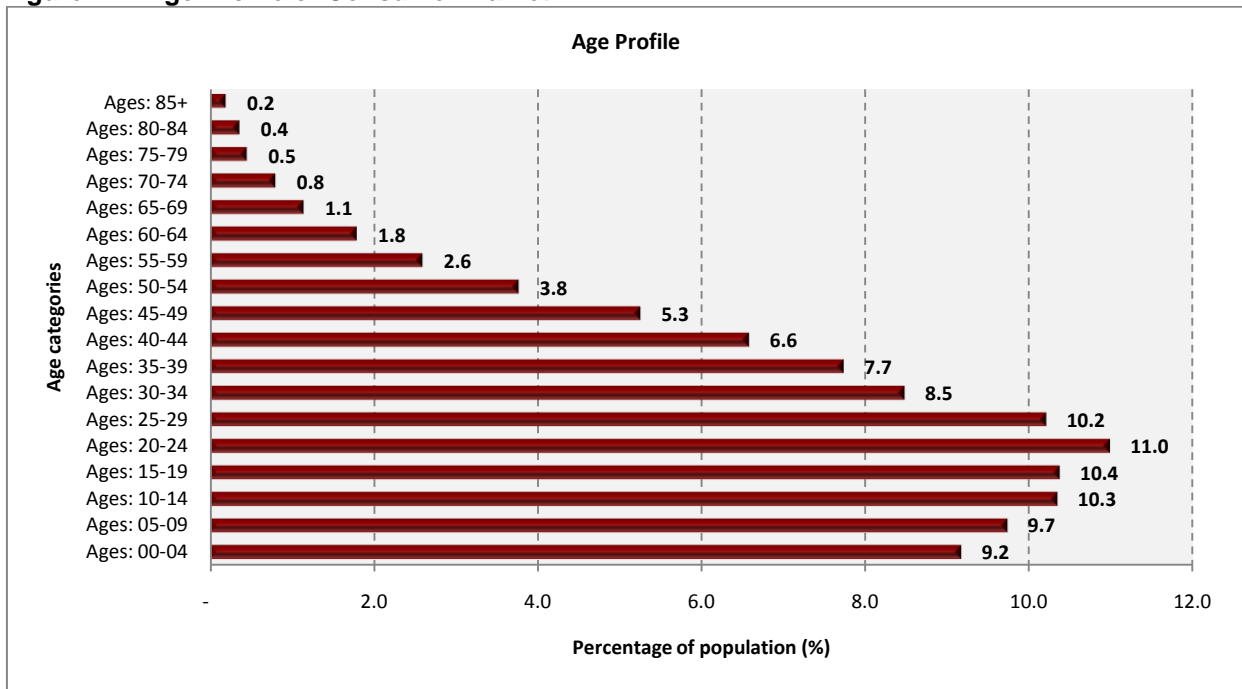**Table 7.3: Consumer Market Profile, 2010 Estimates**

Variable	Primary Source Market Characteristics
Number of people	✓ 657 096
Number of households	✓ 184 979
Household size	✓ 3.5
Household density	✓ 1 182.9 households/km^2
Racial distribution	✓ African blacks – 98.9% ✓ White – 0.9% ✓ Coloureds – 0.2% ✓ Asian – 0.0%
Age profile	✓ 0-14: 29.3% ✓ 15-19: 10.4% ✓ 21-35: 29.7% ✓ 36-65: 27.7% ✓ 65+: 2.9%
Educational attendance (aged 5 to 24 years)	✓ School: 62.6% ✓ None: 27.7% ✓ Pre-school: 3.6% ✓ Technikon: 3.2% ✓ Other: 2.9%
Highest level of education (aged 20 and older)	✓ Higher: 7.0% ✓ Grade 12: 24.3% ✓ Some secondary: 33.5% ✓ Some primary and primary: 22.0% ✓ None: 13.2%
Level of employment	✓ EAP: 64.3% ✓ Employed: 53.5% ✓ Unemployed: 46.5%
Manner of employment	✓ Paid employees: 90.6% ✓ Self-employed: 8.3% ✓ Family worker: 0.7% ✓ Employer: 0.3%
Occupation profile	✓ Elementary occupations: 26.8% ✓ Craft and related trade: 17.0% ✓ Service workers: 13.9% ✓ Clerks: 12.5% ✓ Plant and machine operators and assemblers: 11.1% ✓ Technicians and associate professionals: 10.0% ✓ Professionals: 4.5% ✓ Legislators, senior officials and managers: 3.2%
Weighted average[67] household income	Total market earning an income: ✓ R68 408.2/annum ✓ R5 700.7/month LSM 4 to 10+: ✓ R89 855.8/annum ✓ R7 488.0/month
LSM profile	✓ LSM 1-3: 43.8% ✓ LSM 4-10+: 56.2%
Mode of transport	✓ On Foot: 47.2% ✓ Bus: 16.0% ✓ Mini-bus: 15.6% ✓ Train: 11.9% ✓ Private vehicle: 8.3%
Dwelling type	✓ House on separate stand: 54.5% ✓ Informal dwelling on separate stands: 31.0% ✓ Informal dwelling in backyard: 4.6% ✓ Living quarters: 4.3% ✓ House/flat/room in backyard: 2.5%

Source: Demacon Ex. Quantec, 2010

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[67] 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.
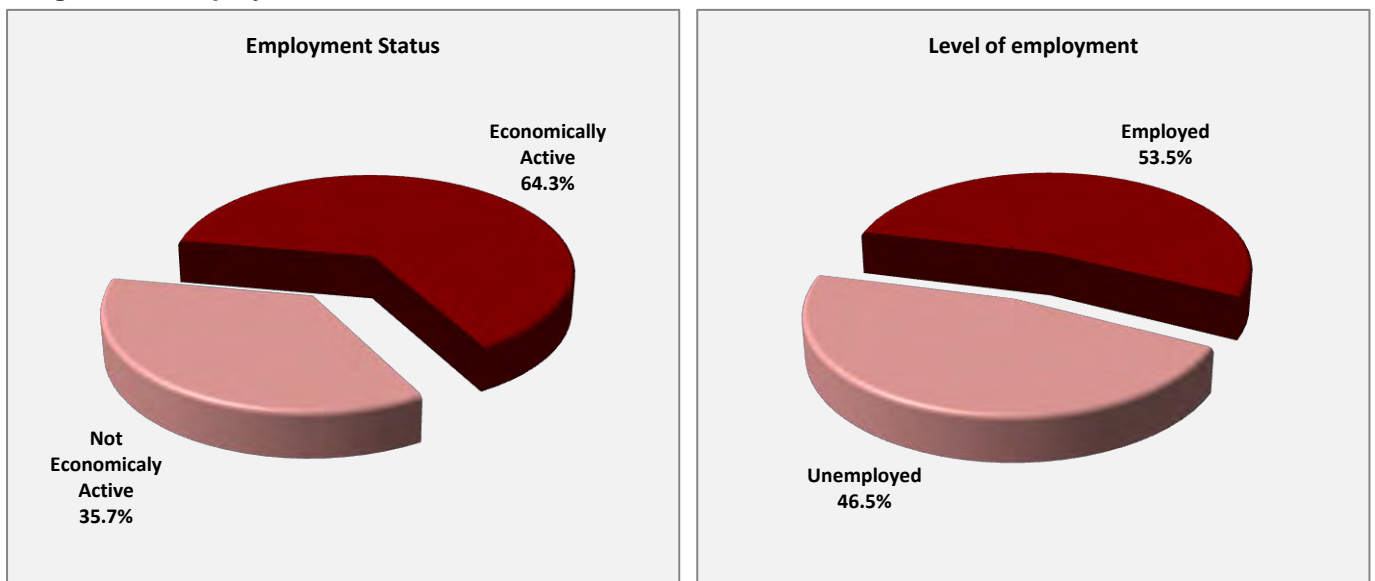
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Subsequent figures highlight some of the salient features of the consumer market.

Figure 7.1: Age Profile of Consumer Market

Age Profile

Age category	Percentage of population (%)
Ages: 85+	0.2
Ages: 80-84	0.4
Ages: 75-79	0.5
Ages: 70-74	0.8
Ages: 65-69	1.1
Ages: 60-64	1.8
Ages: 55-59	2.6
Ages: 50-54	3.8
Ages: 45-49	5.3
Ages: 40-44	6.6
Ages: 35-39	7.7
Ages: 30-34	8.5
Ages: 25-29	10.2
Ages: 20-24	11.0
Ages: 15-19	10.4
Ages: 10-14	10.3
Ages: 05-09	9.7
Ages: 00-04	9.2

Source: Demacon Ex. Quantec, 2010

Figure 7.2: Employment Status

Employment Status

Economically Active 64.3%

Not Economicaly Active 35.7%

**Level of employment**

Employed 53.5%

Unemployed 46.5%

Source: Demacon Ex. Quantec, 2010

Table 7.4: Living Standard Measurement Indicator, 2010

Income category (R/month)	LSM Status	Market Area
Super A income	LSM 10+	1.3
A Income	LSM 10	0.5
B Income	LSM 9	3.6
C Income high	LSM 8	1.6
C Income low	LSM 7	9.3
D Income	LSM 6	13.6
D Lower top	LSM 4 to 5	26.3
D lower end	LSM 1 to 3	43.8

Source: Demacon Ex. Quantec, 2010

Figure 7.3: Average Annual Household Income, 2010
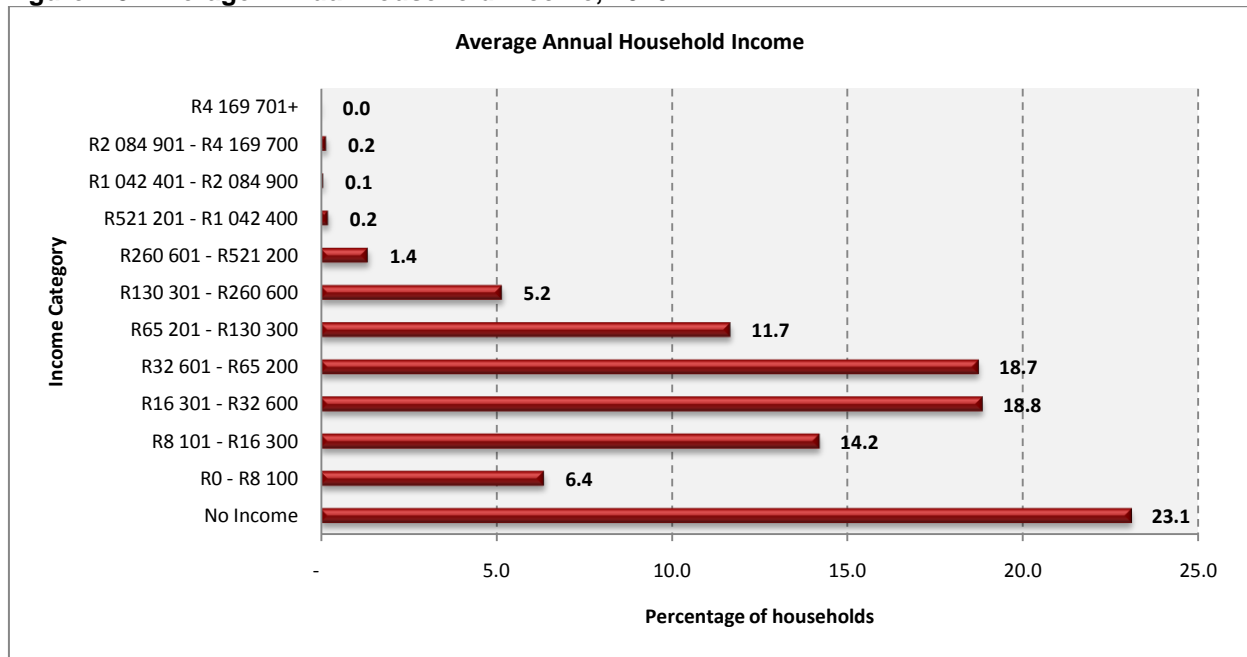
Source: *Demacon Ex. Quantec, 2010*

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

✓ At least **184 979** households (2010);
✓ Largely an African black consumer market;
✓ Relatively large young and upcoming market segment, supported by more mature adult segment and large youth component;
✓ Less sophisticated consumer market characterised by relatively low levels of education;
✓ Relatively large economically active market segment, characterised by moderate levels of employment – reflecting moderately high dependency ratios;
✓ Occupation profile reflects a dominance of blue collar occupations – serving as a proxy for a lower to 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 488.0** (2010);
✓ Moderate living standard levels – **LSM 1 to 3 (43.8%); LSM 4 to 10+ (56.2%)**;
✓ A number of factors contribute to the general property development climate in a specific geographical area. Thesocio-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 lower end of the upper spectrum of commercial products and services.

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

7.4 IMPACT OF THE DEVELOPMENT OF CENTRAL CITY

Household surveys were conducted within the 10km trade radius in order to assess past and current consumer behaviour using the development of Central City as reference point. They also look at current levels of satisfaction, perceived demands pertaining to future extensions and preferences pertaining thereto. Overall, these findings show 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 Central City;
- ✓ Overall impact of the development of Central City;
- ✓ Living standard and average annual income.

7.4.1 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.
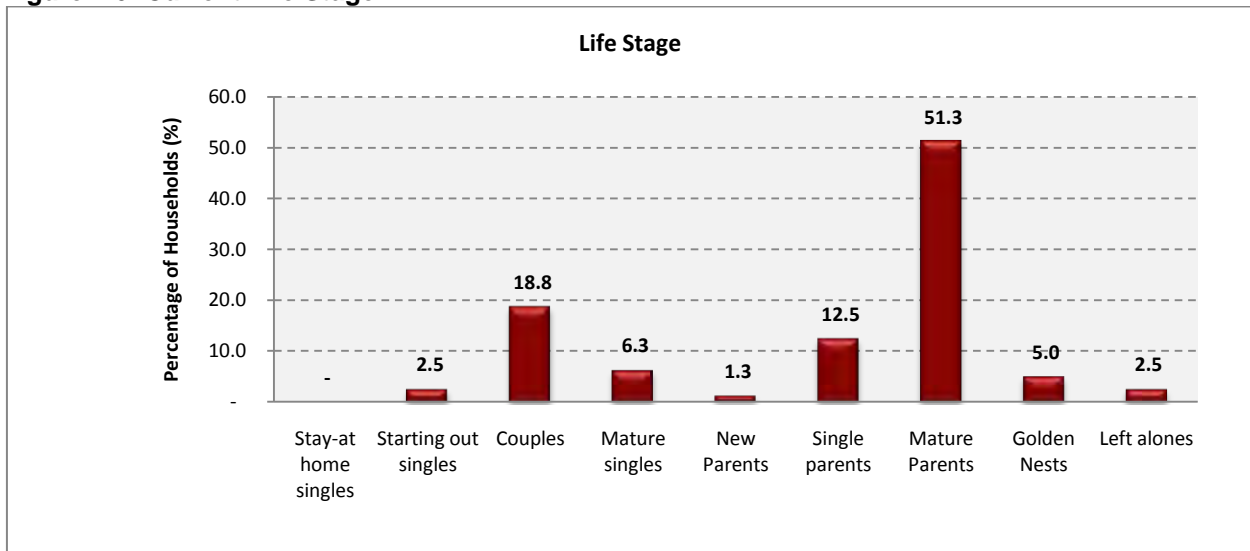
Figure 7.4: Number of Households on Premises
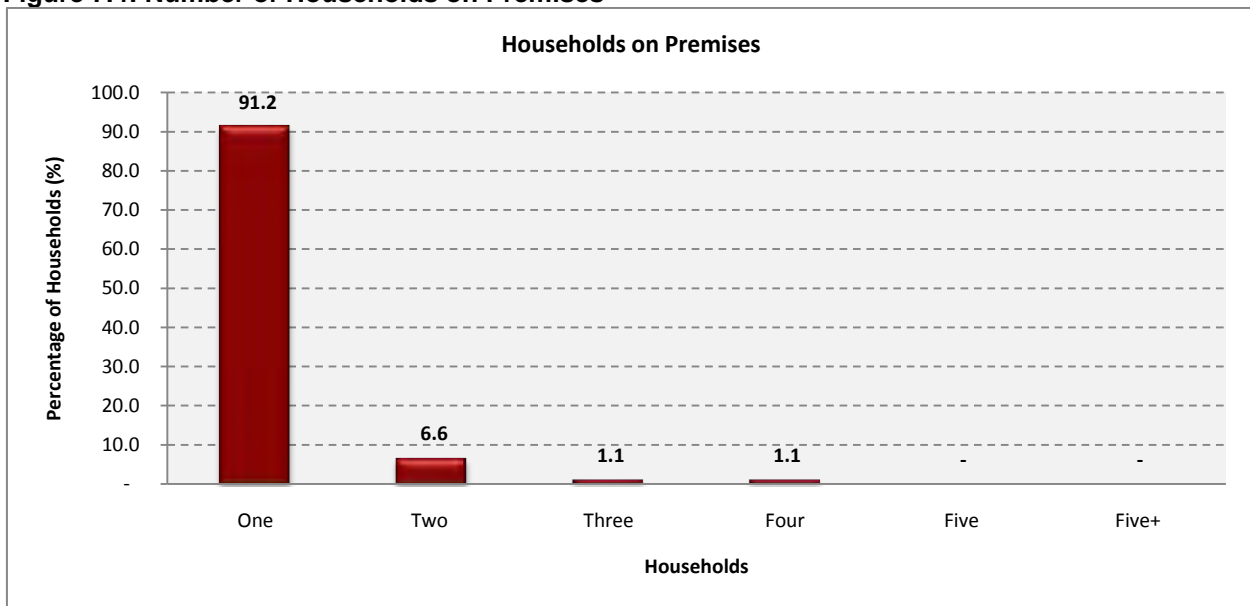
Source: Demacon Household Surveys, 2009
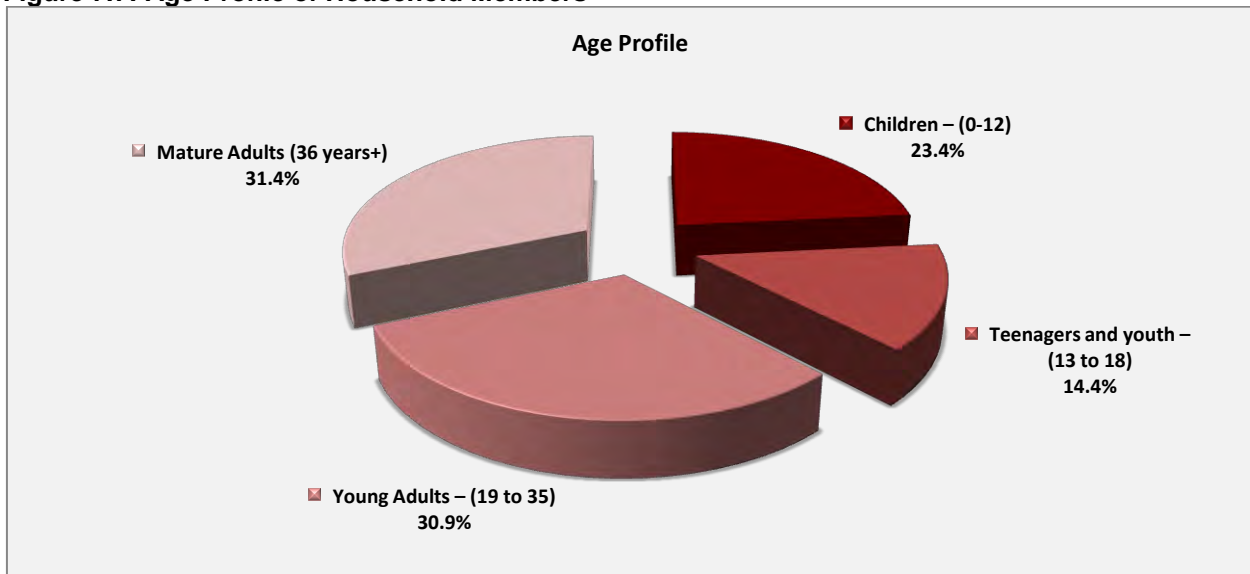
Figure 7.5: Average Household Size
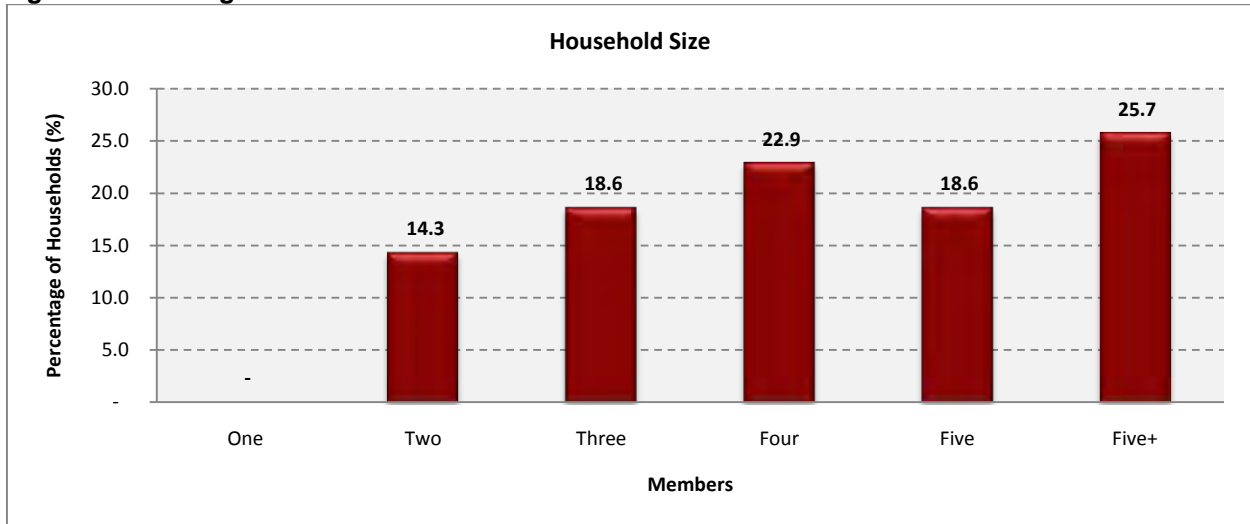
Source: Demacon Household Surveys, 2009
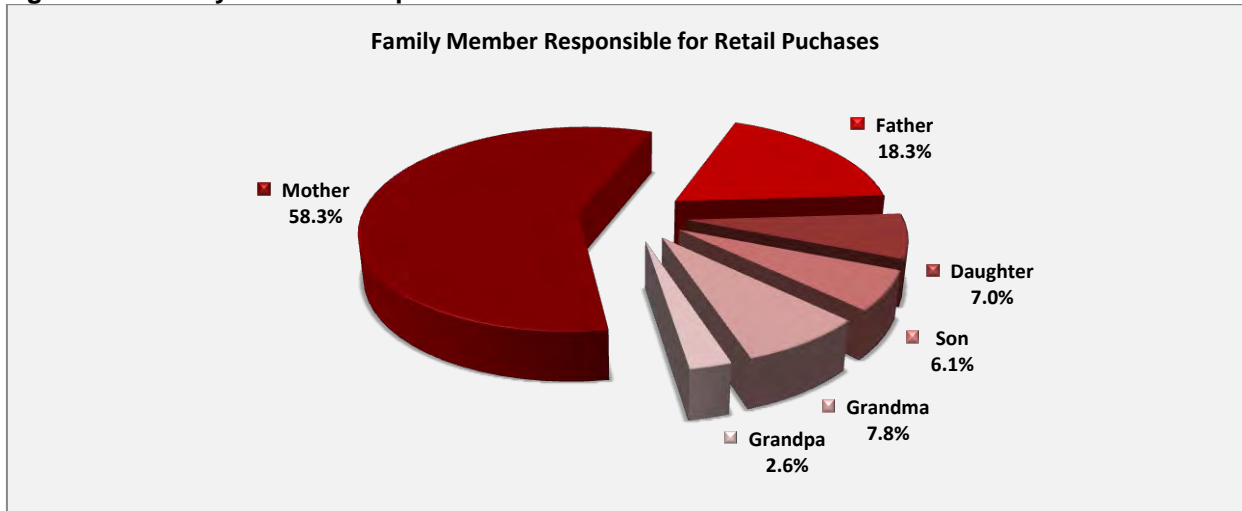
Figure 7.6: Current Life Stage

Source: Demacon Household Surveys, 2009

**Figure 7.7: Age Profile of Household Members**

Source: Demacon Household Surveys, 2009

**Figure 7.8: Family Member Responsible for Retail Purchases**

Family Member Responsible for Retail Puchases

Father
18.3%

Mother
58.3%

Daughter
7.0%

Son
6.1%

Grandma
7.8%

Grandpa
2.6%

Source: Demacon Household Surveys, 2009

Figure 7.9: Mode of Transport

Family Member Responsible for Retail Puchases - Mode of Transport

Public Transport
65.6%

Walk
3.2%

By car as driver
24.7%

By car as passenger
6.5%
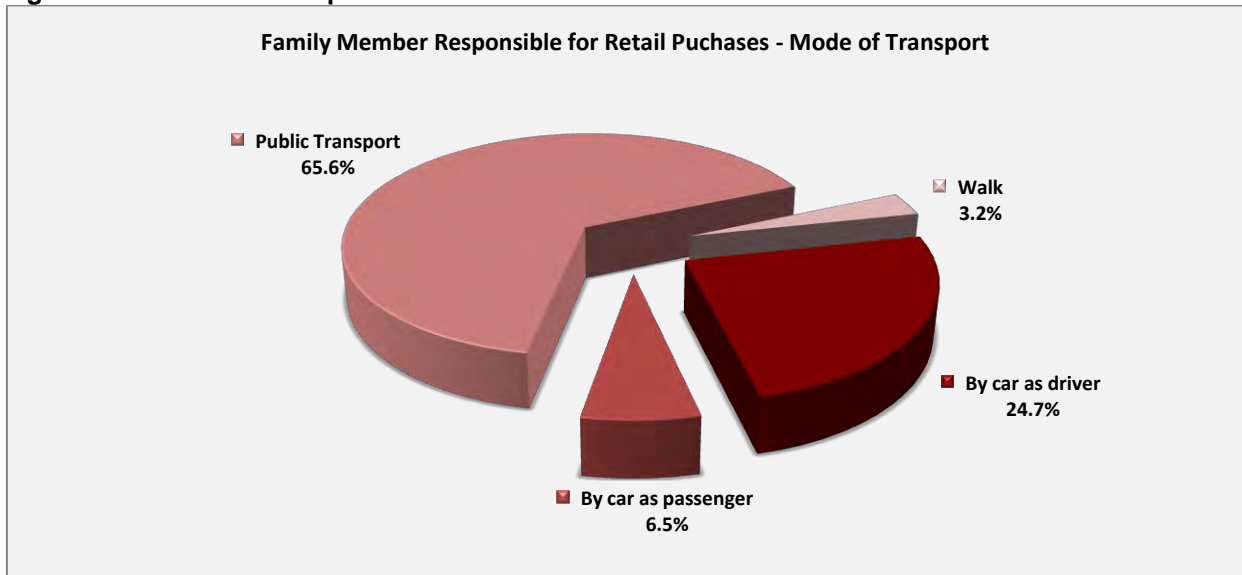
Source: Demacon Household Surveys, 2009

Figure 7.10: Breadwinners per Household

Number of Breadwinners

Two
35.6%

One
54.8%

Three
8.2%

Three+
1.4%
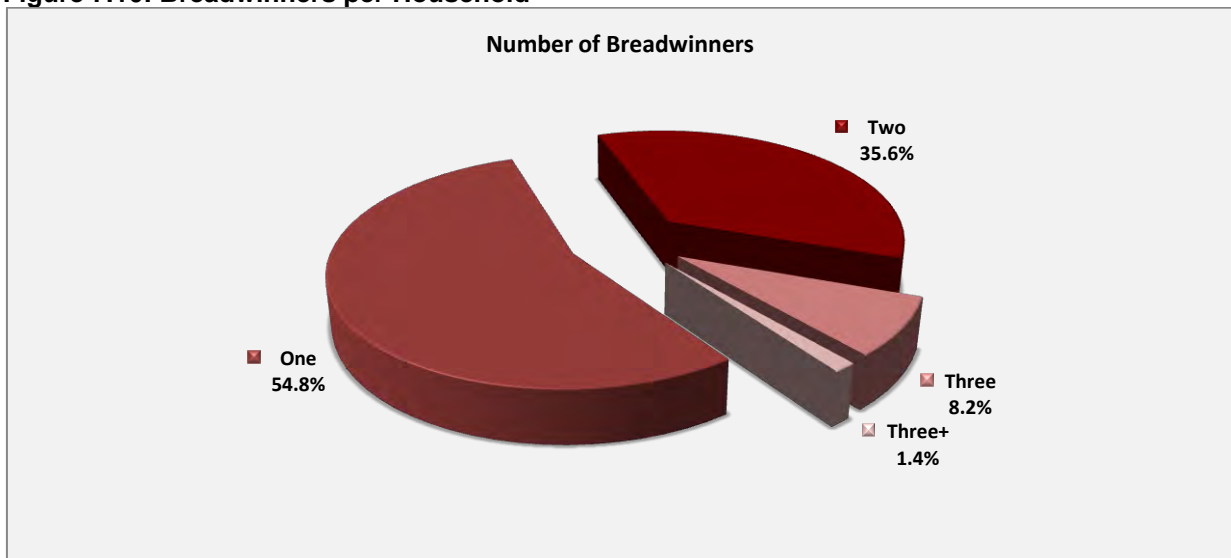
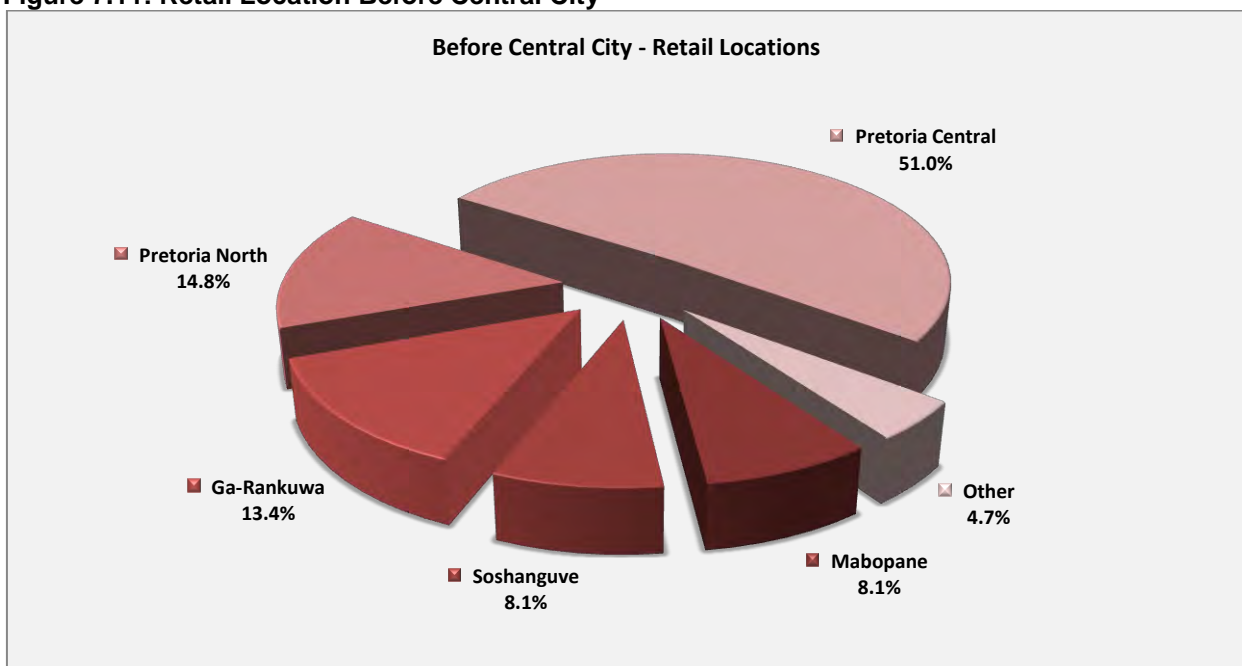*Source: Demacon Household Surveys, 2009*

Findings: (Figures 7.4 to 7.10)

Consumer market reflects the following household characteristics:

✓ There is mainly one household on the premises - 91.2%;
✓ Households mainly consist of more than five members (25.7%), followed by a large segment of households with three to five members (60.1%);
✓ The dominant life stages include mature parents (51.3%), couples (18.8%) and single parents (12.5%);
✓ The age profile of household members reflects a dominant adult population (31.4%), supported by a nearly even segment of young adults (30.9%) and a medium sized segment of children (23.4%) and teenagers (14.4%);
✓ The mothers (58.3%), followed by fathers (18.3%) and grandmothers (7.8%) are largely responsible for retail purchases;
✓ They reach their retail destinations mostly by means of public transport (65.6%), private vehicles (31.2%) or walking (3.2%);
✓ The majority of households are characterised by a single breadwinner (54.8%), followed by 35.6% of the households being characterised by two breadwinners and a small segment having more than two breadwinners
✓ These breadwinners are mainly employed in Pretoria, Pretoria Central, Soshanguve, Brits, Mabopane, Pretoria West, Hercules and Rosslyn.

## 7.4.2 PAST CONSUMER BEHAVIOUR

Subsequent paragraphs address the issue of past consumer behaviour, before Central 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 7.11: Retail Location Before Central City

Source: Demacon Household Surveys, 2009

Figure 7.12: Percentage of Shopping Conducted Outside the Local Area Before Central City
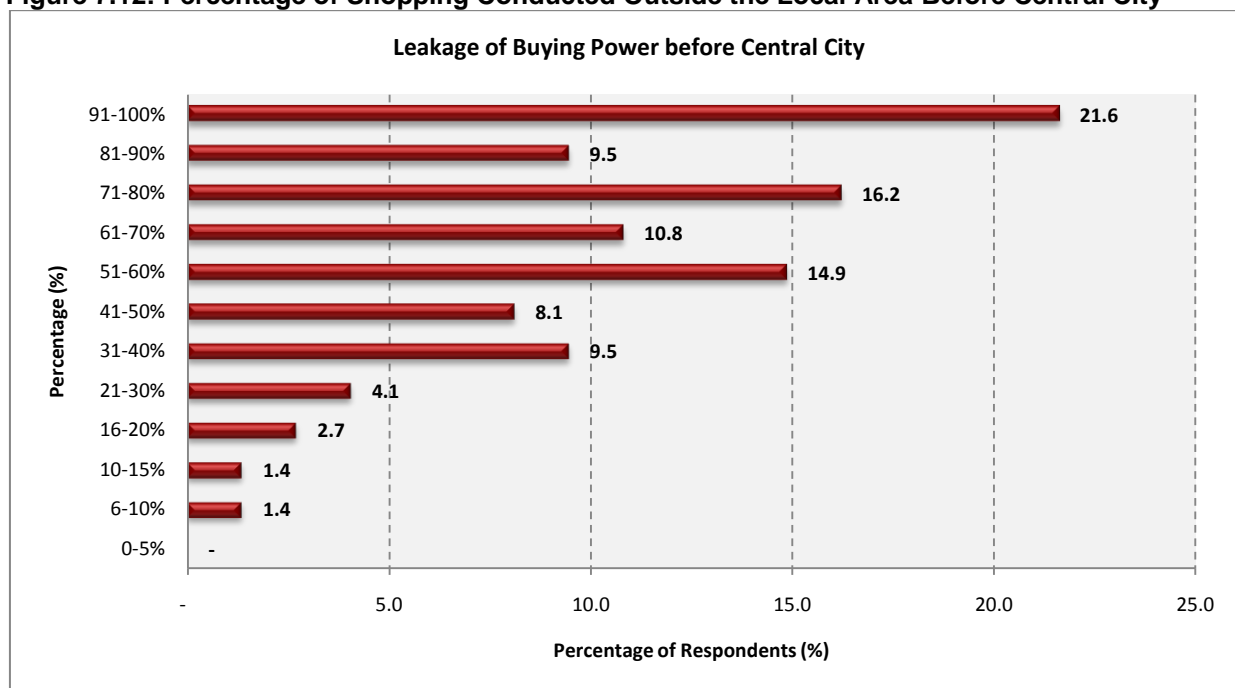
Source: Demacon Household Surveys, 2009

Table 7.5: Preferred Retail Centre Before Central City

|	Centres	Areas
Groceries	Pretoria Central, Ga-Rankuwa, OK Centre Silverton	Pretoria, Ga-Rankuwa, Silverton
Top-up groceries	Pretoria Central, OK Centre, Wonderpark Shopping Centre, Ga-Rankuwa	Pretoria, Silverton, Karen Park, Ga-Rankuwa
Clothing /shoes /accessories	Pretoria Central, Wonderpark Shopping Centre, Wonderboom Plaza, Marabastad	Pretoria, Karen Park, Wonderboom, Marabastad
Furniture and home ware	Pretoria Central, OK Centre, Wonderboom Plaza, Wonderpark Shopping Centre	Pretoria, Silverton, Wonderboom, Karen Park
Hardware goods	Pretoria Central, OK Centre, Wonderboom Plaza, Wonderpark Shopping Centre	Pretoria, Silverton, Wonderboom, Karen Park
Gifts books and confectionary	Pretoria Central, Wonderpark Shopping Centre, OK Centre, Marabastad, Wonderboom Plaza	Pretoria, Karen Park, Silverton, Pretoria, Wonderboom
Specialty / value goods	Pretoria Central, Wonderpark Shopping Centre, Wonderpark Shopping Centre, OK Centre, Rosslyn, Wonderboom Plaza	Pretoria, Karen Park, Silverton, Rosslyn, Wonderboom
Entertainment	Pretoria Central, Wonderpark Shopping Centre, Pretoria North, Rosslyn, OK Centre	Pretoria, Karen Park, Pretoria North, Rosslyn, Wonderboom
Restaurants	Pretoria Central, Wonderpark Shopping Centre, Pretoria North, OK Centre, Rosslyn, Wonderboom Plaza	Pretoria, Karen Park, Pretoria North, Rosslyn, Wonderboom
Personal care	Pretoria Central, Wonderpark Shopping Centre, Pretoria North, OK Centre, Rosslyn	Pretoria, Karen Park, Pretoria North, Silverton, Rosslyn
Services & other	Pretoria Central, Wonderpark Shopping Centre, Pretoria North, OK Centre, Rosslyn	Pretoria, Karen Park, Pretoria North, Silverton, Rosslyn

Source: Demacon Household Surveys, 2009
Note: Households also listed Northpark Mall as a centre, however, based on development dates it was developed a year after Central City and not included in the table.

Findings: (Figures 7.11 to 7.12 and Table 7.5)

✓ Before Central City was developed, the majority of respondents conducted their shopping in Pretoria Central (51.0%), followed by Pretoria North (14.8%), Ga-Rankuwa (13.4%), Soshanguve (8.1%), Mabopane (8.1%) and other centres (4.7%).

✓ Before Central City was developed approximately 65.2% (weighted average[68]) of shopping was conducted outside of the local area.

✓ In terms of the preferred retail centres the following dominant centres featured: Pretoria CBD, Ga-Rankuwa Centre, OK Centre, Wonderpark Shopping Centre, Pretoria North, Rosslyn Centre and Wonderboom Plaza.

✓ The dominant retail areas include Pretoria, Ga-Rankuwa, Silverton, Karen Park, Rosslyn, Wonderboom and Pretoria North.

Figure 7.13: Average Distance to Preferred Centre
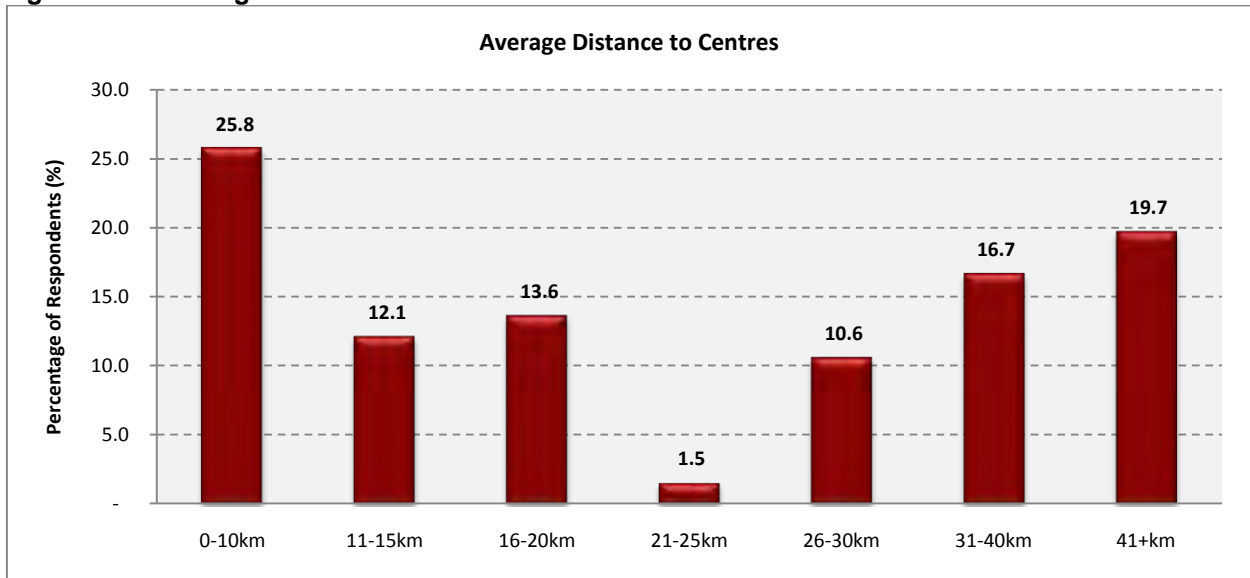
Source: Demacon Household Surveys, 2009

**Figure 7.14: Percentage of Shopping Conducted at Local Traders Before Central City**

Source: Demacon Household Surveys, 2009

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[68] Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weighted, and then adding the results.
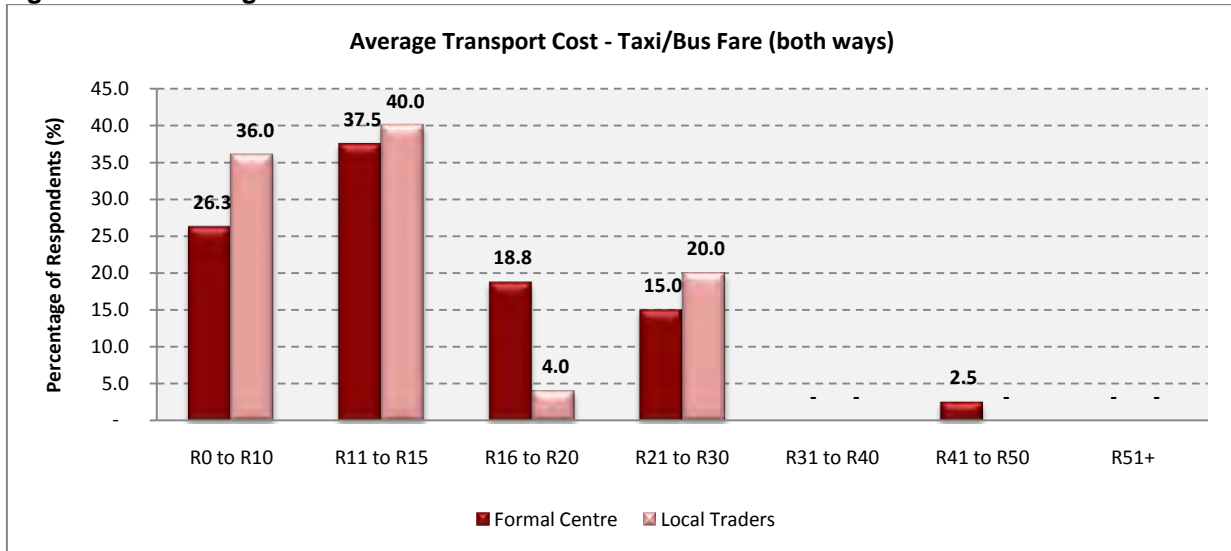
Findings: (Figures 7.13 to 7.15)

✓ Before the development of Central City the average distance to supported retail centres was mainly less than 10km (25.8%), followed by large segments indicating distances between 11km and 20km (25.7%) and more than 30km (36.4%). The average weighted distance amounted to **23.5km.**

✓ Respondents conducted between 6% and 10% (31.6%) of their shopping at local traders, with a nearly even segment indicating that they carried out between 31% and 50% of their shopping at local traders (27.8%). The average weighted percentage conducted at local traders amounted to **19.7%.**

✓ The majority of households spent between R400 and R1 200 a month at formal retail centres (71.4%), 14.3% of households spent more than R1200 a month and 14.3% of households spent less than R400 a month. Average monthly household expenditure at formal retail centres amounted to **R816.9.**

✓ The majority of households spent between R100 and R150 a month at local traders (53.3%), 31.3% spent between R150 and R400 per month and 18.8% spent less than R100 a month at local traders. The average monthly household expenditure at local traders amounted to **R158.31.**

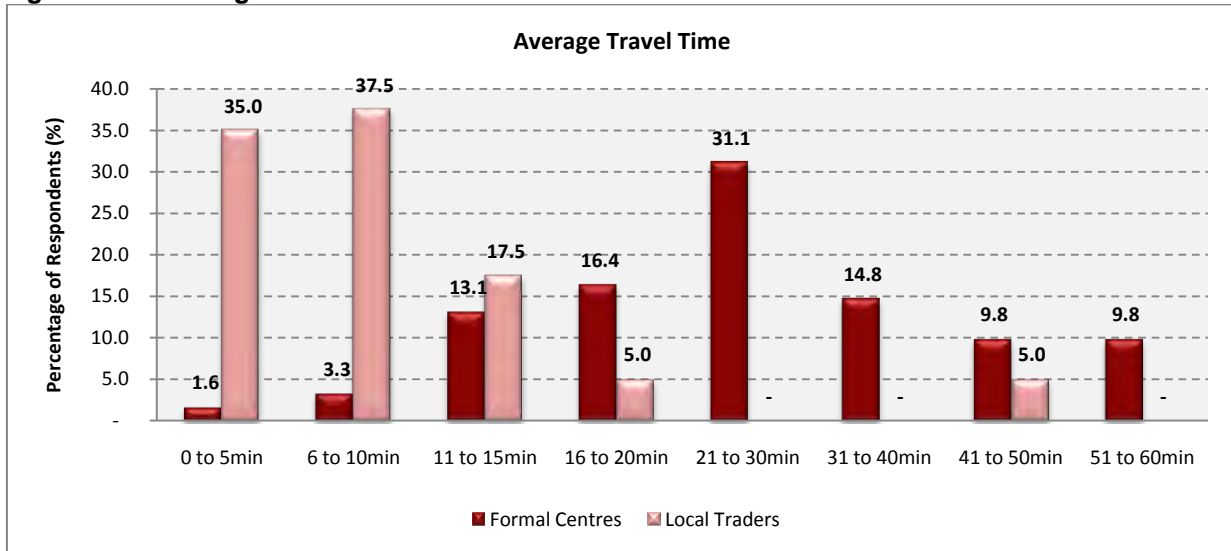**Figure 7.15: Monthly Household Expenditure at Retail Centres and Local Traders**
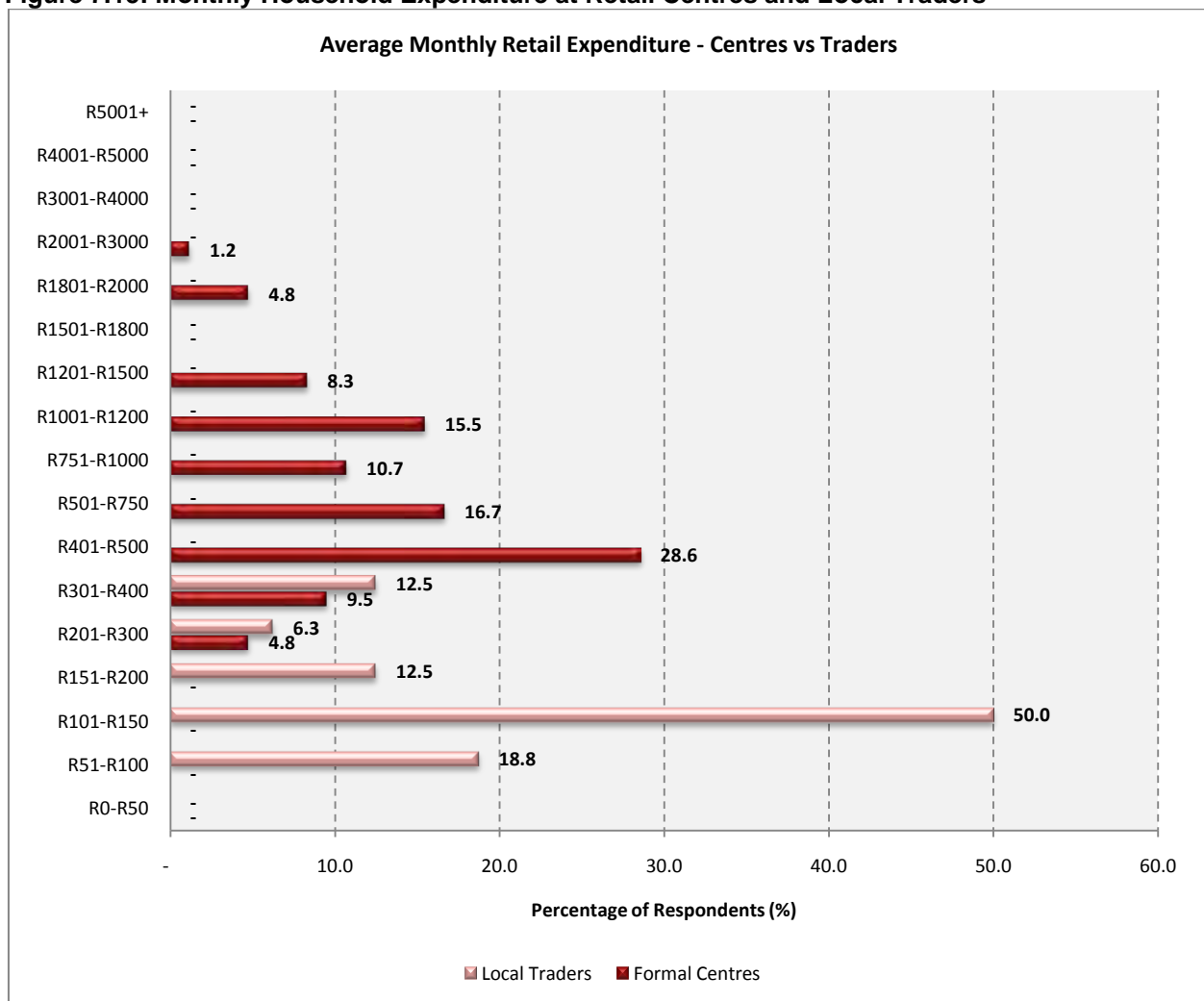
Source: Demacon Household Surveys, 2009

Figure 7.16: Average Bus/Taxi Fare

Source: Demacon Household Surveys, 2009

Figure 4.17: Average Travel Time

Source: Demacon Household Surveys, 2009

Findings: (Figures 7.16 to 7.17)

✓ The majority of households indicated that they spentup to R15 for taxi/bus fares to the formal retail centres – 63.8%. This is followed by a segment indicating transport fares of between R16 and R30 – 23.8%. A small segment indicated transport fares exceeding R30 – 2.5%. The average weighted transport fare to formal retail centres amounted to **R14.5.**

✓ Similar trends were observed with reference to travel fares to local traders – except for a larger segment reflecting travel costs between R21 and R30 – 20.0%. The average weighted transport fare to local traders amounted to **R12.80.**

✓ 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 – 31.1%, a nearly proportional segments indicated travel times between 11 and 20 minutes (29.5%) and longer travel times between 30 and 60 minutes (34.4%). The weighted average travel time to formal retail centres amounted to **28.1 minutes**[69].

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

✓ The majority of respondents indicated that they travel for fewer than 10 minutes to local traders (72.5%), this is followed by 22.5% of respondents indicating travel times between 11 and 20 minutes to local traders. The weighted average travel time to local traders amounted to **9.3 minutes**.

7.4.3 CURRENT CONSUMER BEHAVIOUR

Subsequent paragraphs reflect current consumer behaviour trends after the development of Central City. They focuses on the impact that the development of the centre had on their consumer behaviour, retail destination, percentage of shopping now done outside the local area, the impact on their retail expenditure, monthly retail expenditure, monthly retail expenditure at Central City, the type of commodities purchased at the centre, an indication of commodities not available at the centre, changes in support for other areas, the impact of the development of the centre on support for local traders, average transport cost and travelling time, impact of transport costs on retail trips outside the area.
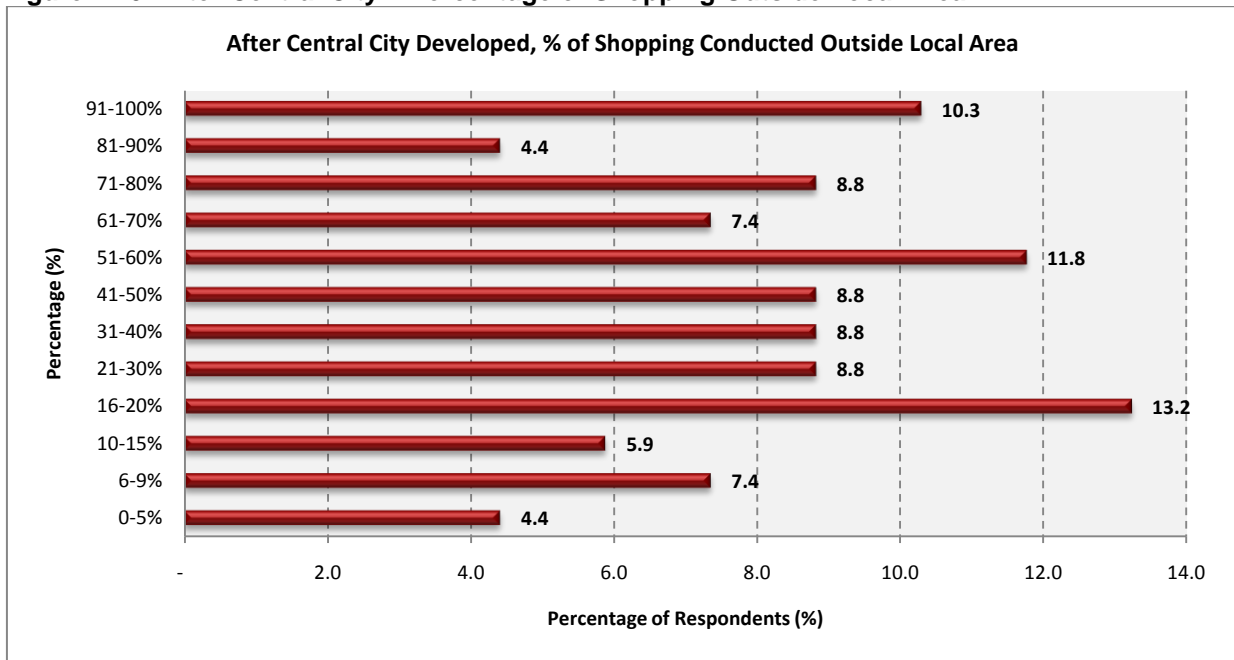
Figure 7.18: Impact of Central City on Consumer Behaviour
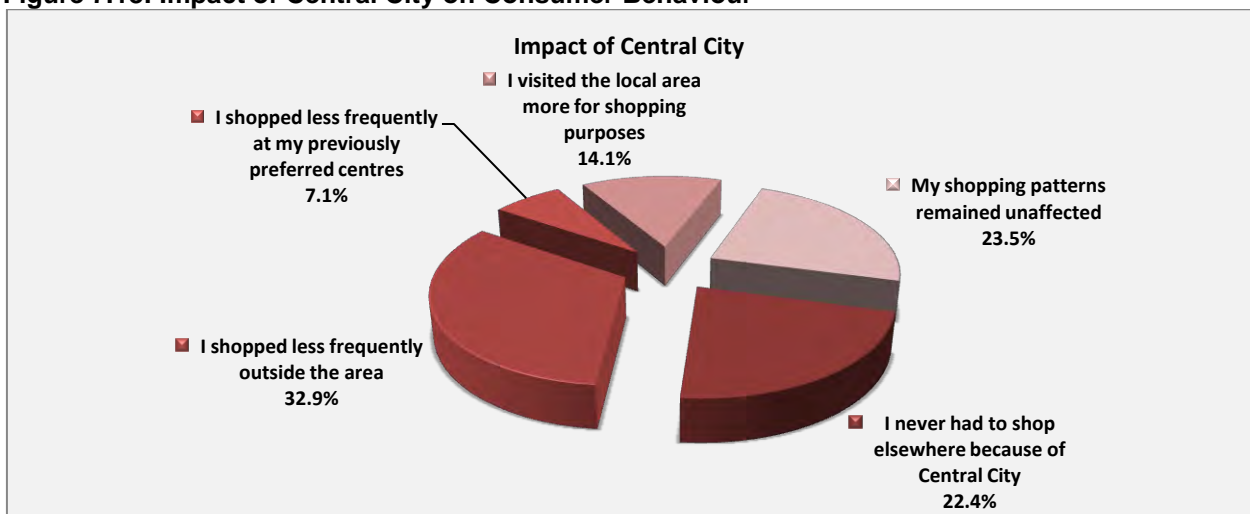
Source: Demacon Household Surveys, 2009

**Figure 7.19: Retail Location After Central City Development**
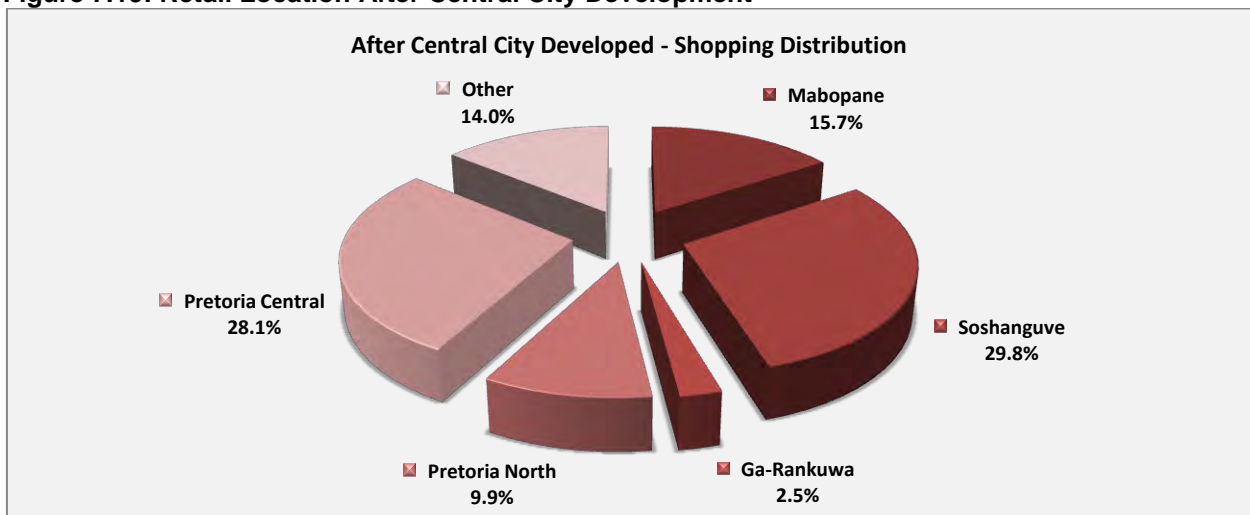
Source: Demacon Household Surveys, 2009

Figure 7.20: After Central City – Percentage of Shopping Outside Local Area

After Central City Developed, % of Shopping Conducted Outside Local Area

Source: Demacon Household Surveys, 2009

Figure 7.21: Impact of Central City on Local Retail Expenditure

Impact Central City on local retail expenditure
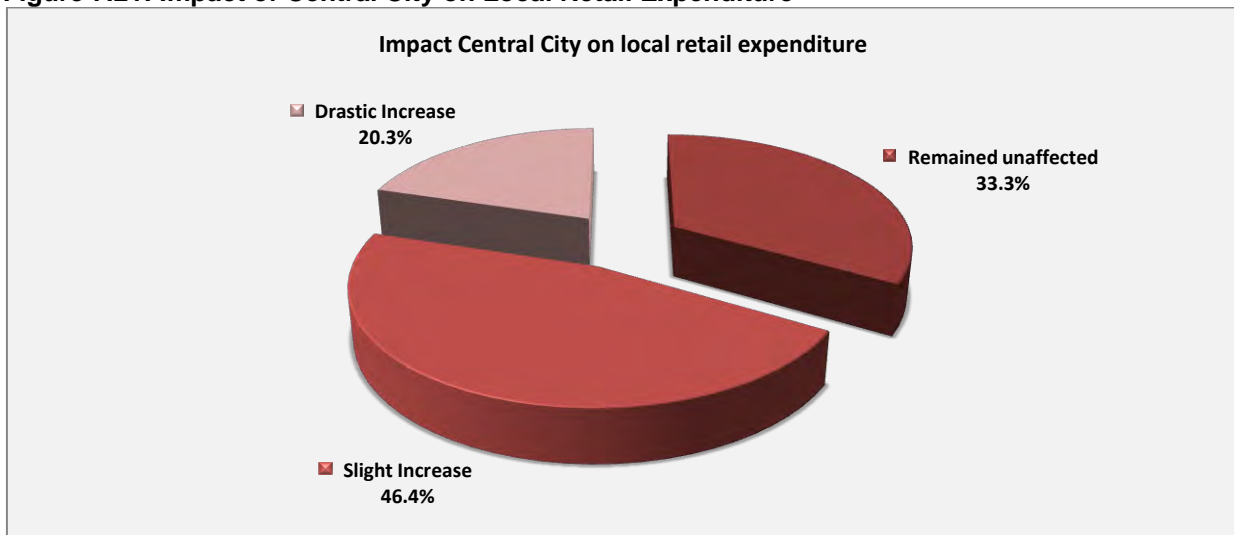
Source: Demacon Household Surveys, 2009

Findings: (Figures 7.18 to 7.30)

✓ The development of Central City had a positive impact on consumer behaviour – 32.9% indicated that they now shop less frequently outside of their area, 22.4% indicated that they never have to shop elsewhere, 14.1% visit the area more for shopping purposes and 7.1% indicated that they shop less at their previously preferred retail centres. A moderate segment of 23.5% of respondents indicated that their shopping patterns have remained unaffected. This reflects moderate levels of consumer elasticity in the market.

✓ The development of Central City has also had a positive impact on respondents shopping locations – 29.8% Soshanguve, 28.1% Pretoria Central, 15.7% Mabopane, 14.0% other areas (Karen Park, Silverton, Menlyn, Marabastad, Montana, Faerie Glen), 9.9% Pretoria North and 2.5% Ga-Rankuwa.
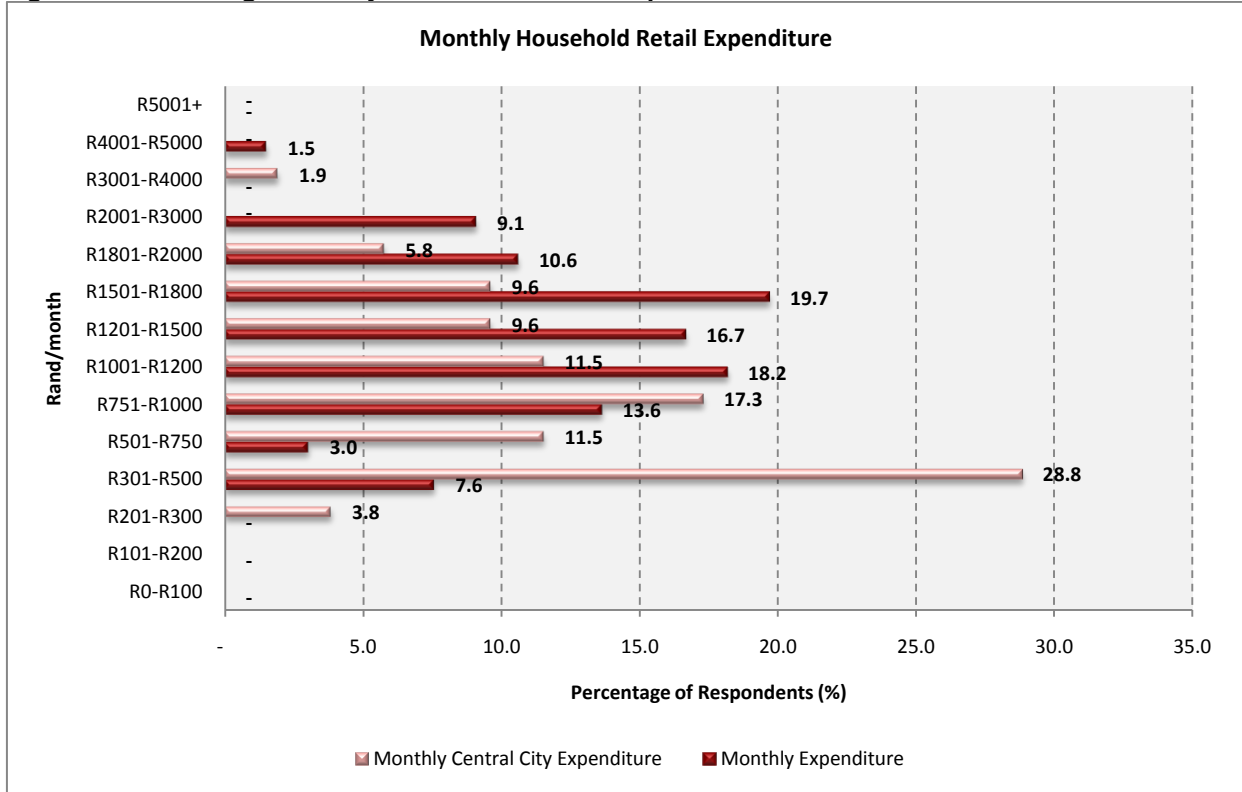
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✓ After the development of Central City, the percentage of shopping conducted outside of the local area declined to a weighted average[70] of **44.7%.**

✓ The development of Central Cityhad a **slight impact** on local retail expenditure **(46.4%).**

✓ A relatively large segment of respondents indicated that the development of the mall had a drastic impact on local retail expenditure (20.3%), whereas 33.3% of respondents indicated that the development of the mall had no impact on their local retail expenditure.

✓ The largest segment of households indicated that they spend between R751 and R1 800 on monthly shopping – 68.2%, this is followed by 21.2% of households indicating amounts higher than R1 800 up to R5 000 a month and a mere 10.6% reflecting amounts below R751. The average weighted amount spent on shopping is **R1 338.00**.

✓ The majority of respondents also indicated that they spend between R300 and R500 per month at Central City – 28.8%, followed by 40.4% indicating that they spend between R500 and R1 200 per month at Central City, 17.3% spent more than R1 200 per month and a mere 3.8% of households indicated that they spend less than R500 per month at Central City. The average weighted monthly amount spent at Central City is **R936.6.**

✓ In terms of the types of commoditiespurchased at Central City the following categories prevail: top-up groceries, monthly groceries, clothing and shoes, furniture and homeware, restaurants, speciality goods, hardware and gifts.

✓ In terms of the type of commodities not available at Central City, the following categories prevail: entertainment, services, restaurants and clothing stores.

✓ Respondents also indicated their preferred retail centres after the development of Central City: Wonderpark (27.9%), Central City (27.0%), Northpark Mall (9.9%), Pretoria CBD (9.0%) and to a lesser extent, Soshanguve Centre, Marula Plaza, Menlyn Park, Wonderboom Plaza, Kolonnade Centre, Sammy Marks, Thorntree Centre, Brooklyn Mall, Ga-Rankuwa Centre, Marabastad, Woodmead and Montana Crossing.

✓ 71.4% of the respondents indicated that they still support their previously preferred retail centres after the development of Central City

✓ The dominant reasons for respondents' continued support towards previously preferred retail centres are: high levels of convenience, less congestion, greater proximity to home, greater variety, less crime, more public transport, more accessible and more affordable.

✓ Since the development of Central City, the majority of respondents conduct between 0% and 10% of shopping at local traders – 58.9%, 13.6% conduct between 11% and 30% of shopping at local traders, 13.6% conduct between 31% and 50% of shopping at local traders and 16.9% of respondents indicated that they conduct more than 50% of shopping at local traders. The weighted average[71] support of local traders amount to **24.3%.** This is an interesting trend that can be ascribed to the fact that provision is made for informal traders as part of the parking area of the centre.

✓ Overall, the development of Central City has mostly resulted in a decline in support for local traders **(58.5%).**

✓ However, a large segment of respondents indicated that their support for local traders **remained unaffected (30.2%)** by the development of the mall, whereas a small segment indicated an **increase** in support for local traders **(11.3%)**

✓ In terms of changes to the local trader environment the following were perceived:
  • Slightly more than half of respondents indicated that everything remained the same – 50.3%;

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[70] 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.
[71] 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.

- 32.0% indicated a movement of local businesses to the centre;
- 25.3% indicated a decline in informal traders;
- 18.0% local businesses closed down;
- 14.0% movement of local traders closer to centre;
- 11.0% local businesses moved closer to the centre.

Figure 7.22: Average Monthly Household Retail Expenditure

Monthly Household Retail Expenditure

Source: Demacon Household Surveys, 2009

Figure 7.23: Type of Commodities Predominantly Purchased at Central City

Types of Commodities Predominantly Puchased at Central City
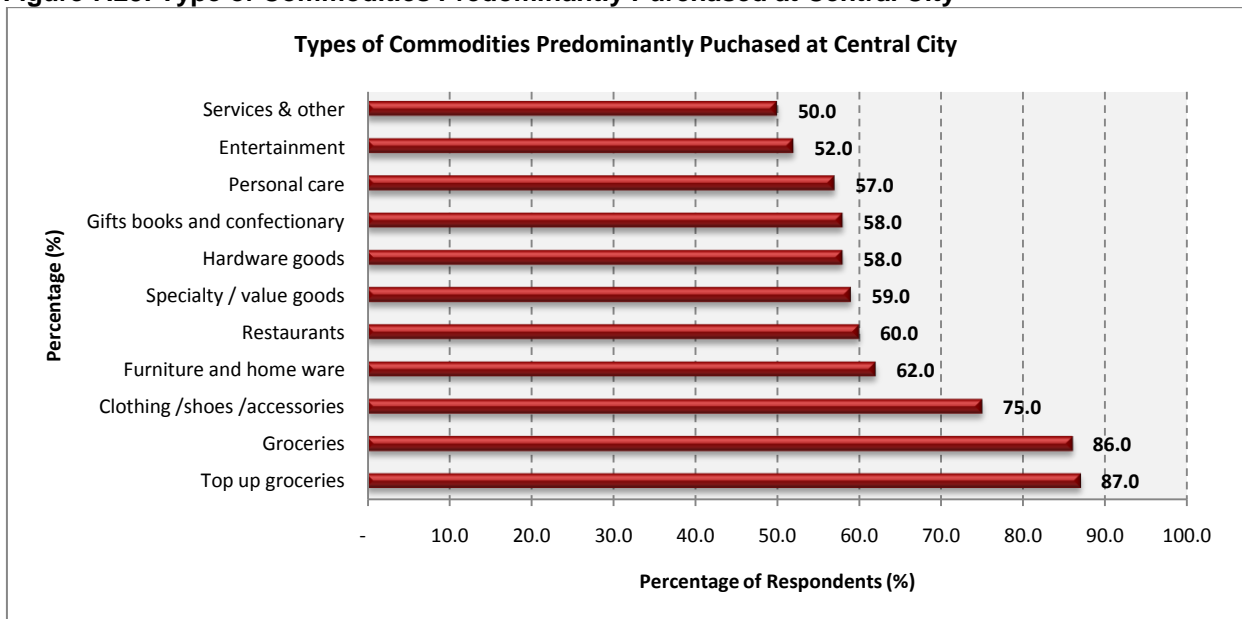
Source: Demacon Household Surveys, 2009

Figure 7.24: Types of Commodities Not Available at Central City
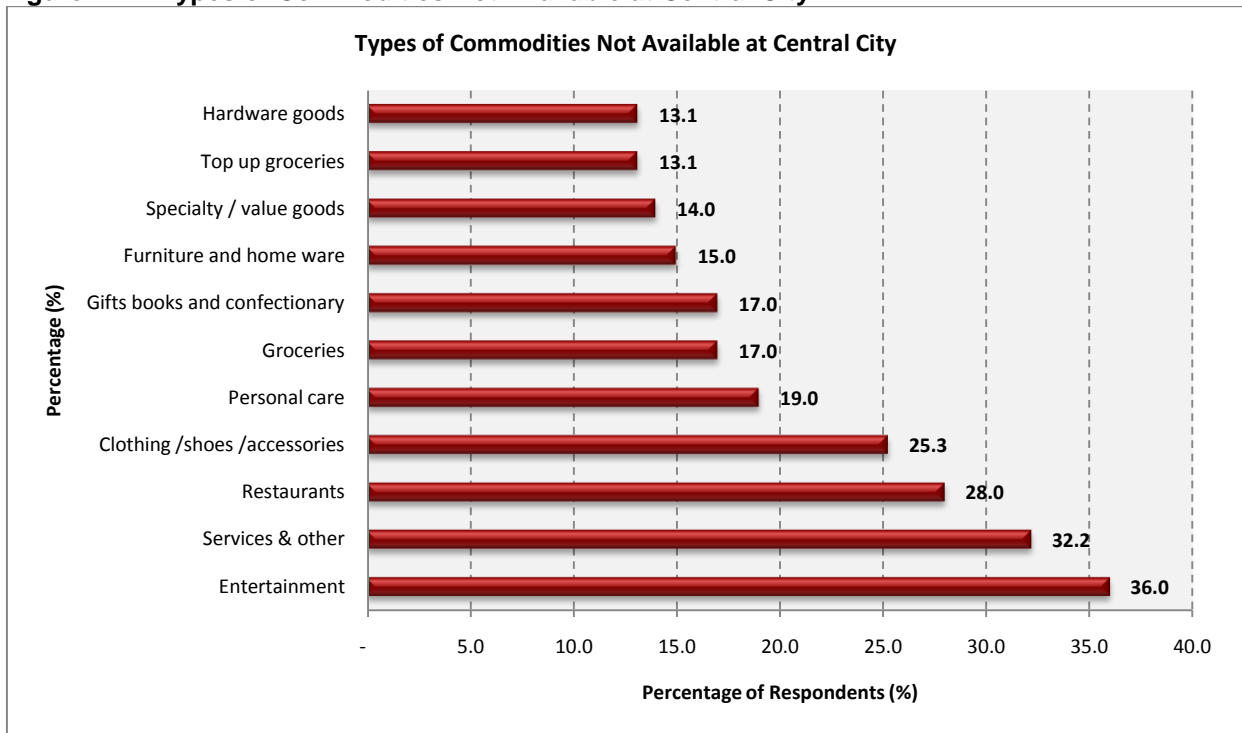
Source: Demacon Household Surveys, 2009

Figure 7.25: Preferred Retail Centres after Central City Development
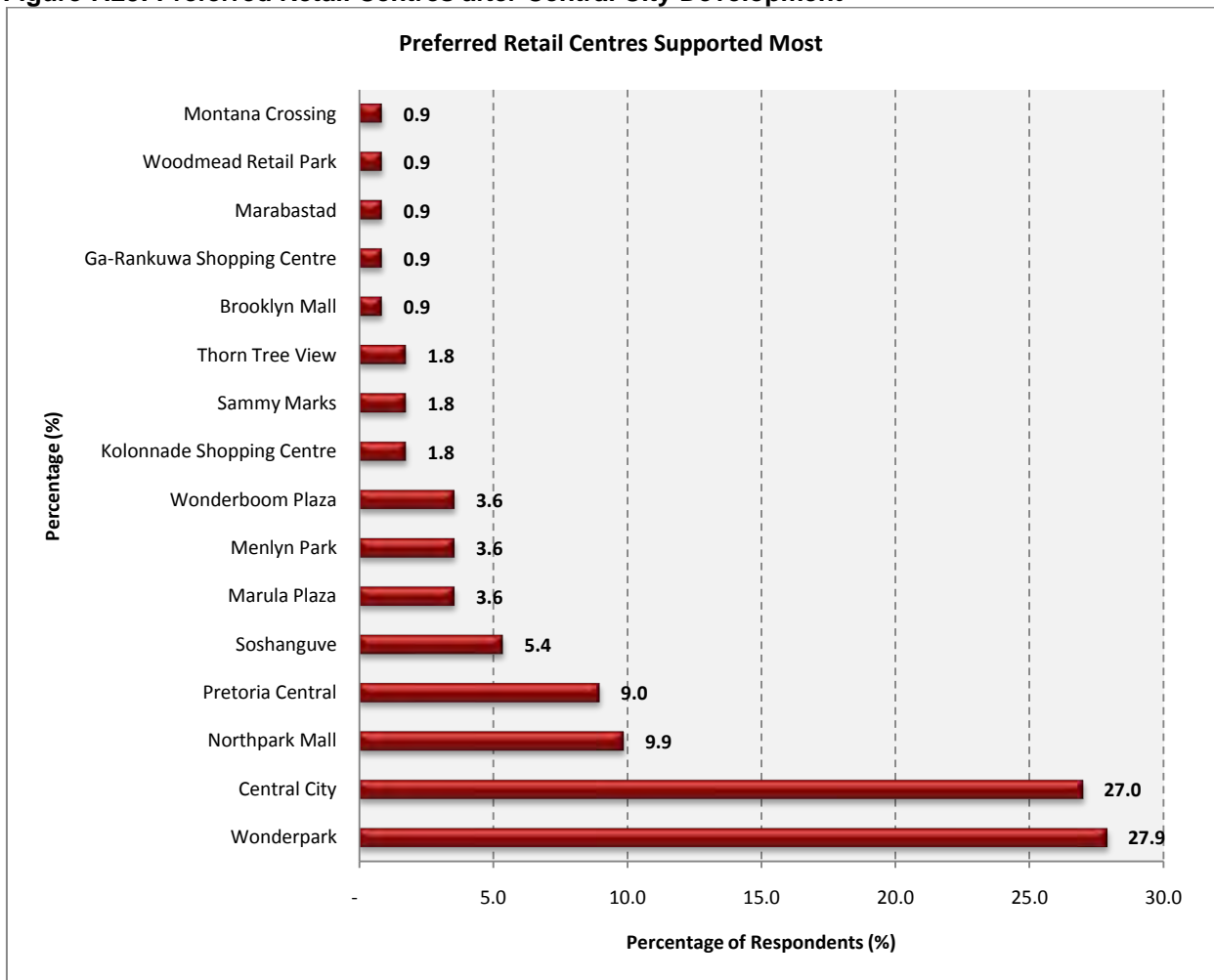
Source: Demacon Household Surveys, 2009

Figure 7.26: Since Development of Central City - Support of Previously Preferred Retail Centres
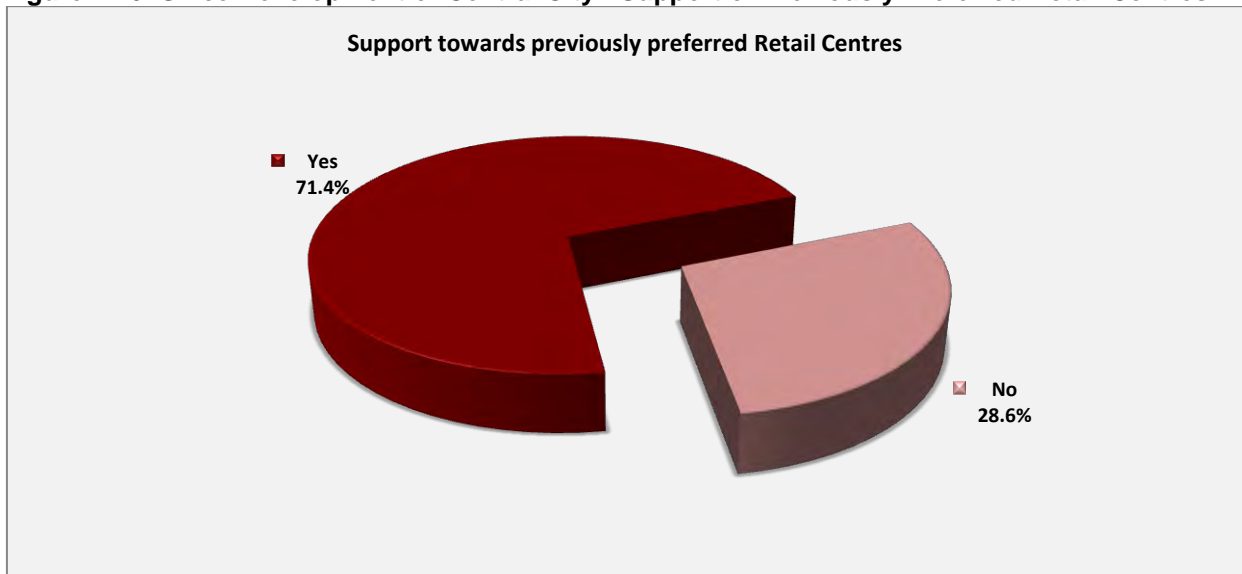
Source: Demacon Household Surveys, 2009

Figure 7.27: Reasons for Support For These Centres
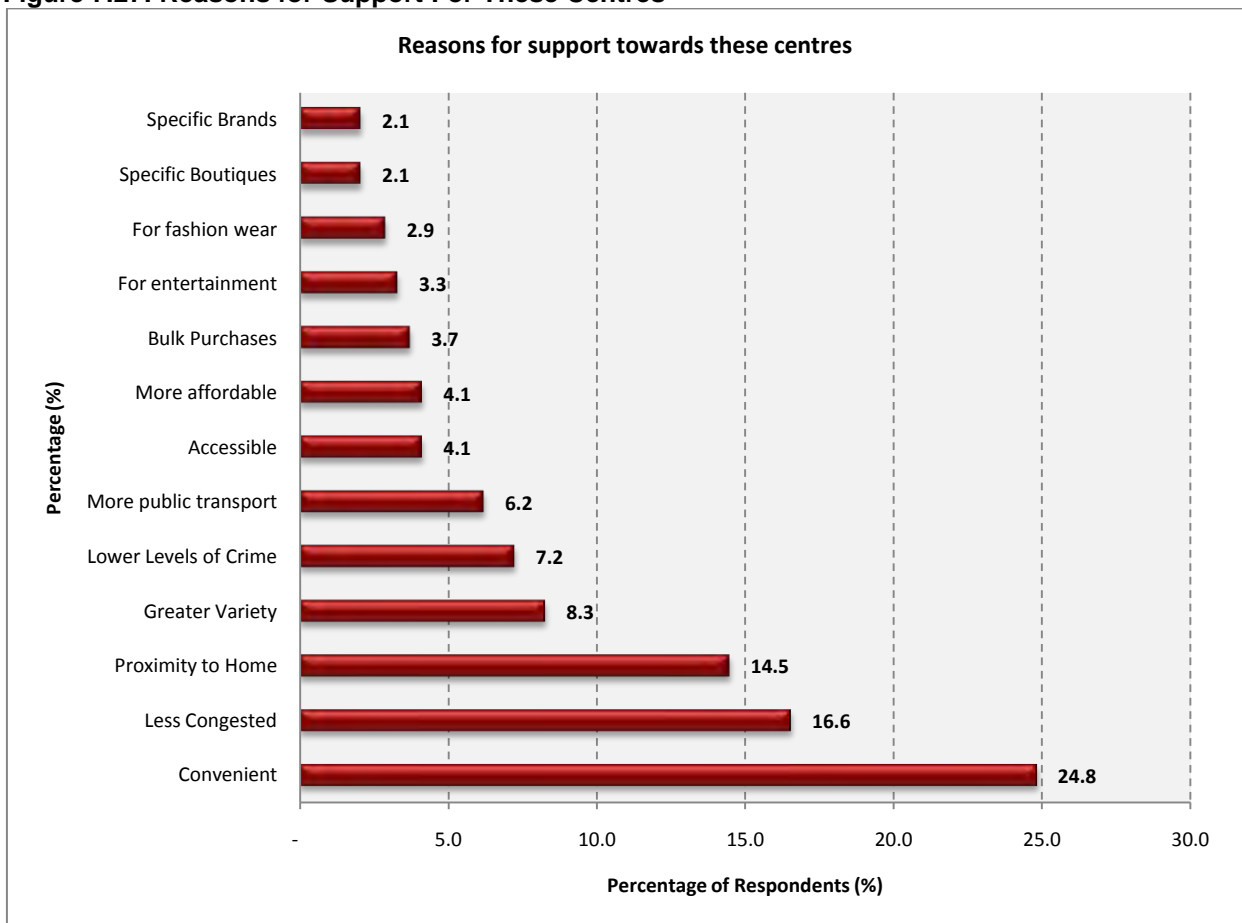
Source: Demacon Household Surveys, 2009

Figure 7.28: After Central City Development what Percentage of Shopping is conducted at Local Traders?

After Central City - Percentage of Shopping at Local Traders
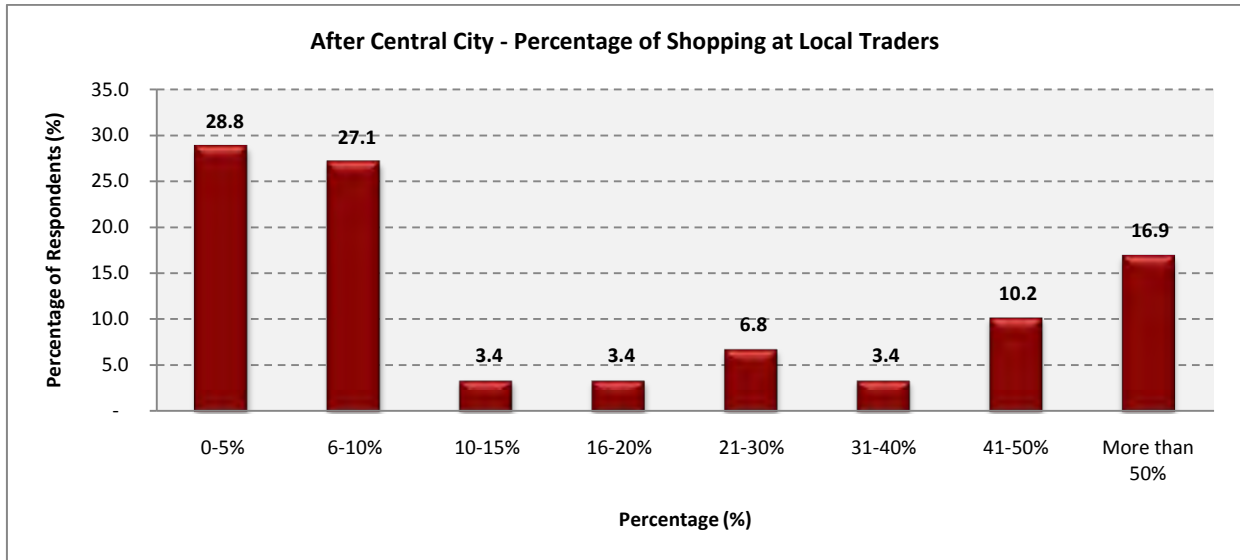
Source: Demacon Household Surveys, 2009

Figure 7.29: Impact of Central City on Local Trader Support

Impact of Central City on Support towards Local Traders
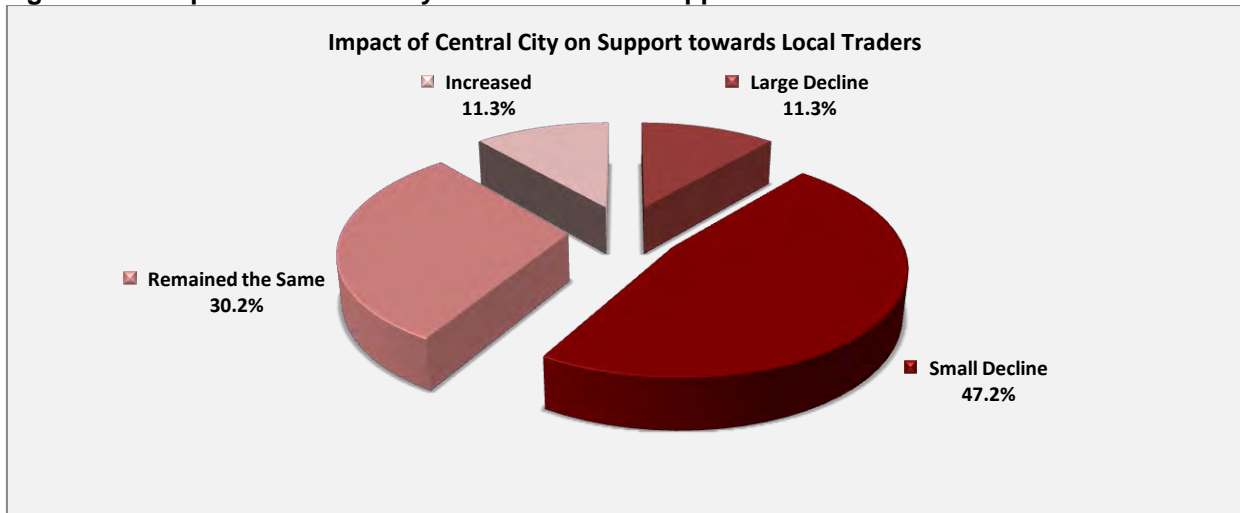
Source: Demacon Household Surveys, 2009

Figure 7.30: General Trends Pertaining to Local Traders After Development of Central City

What happened to Local Traders
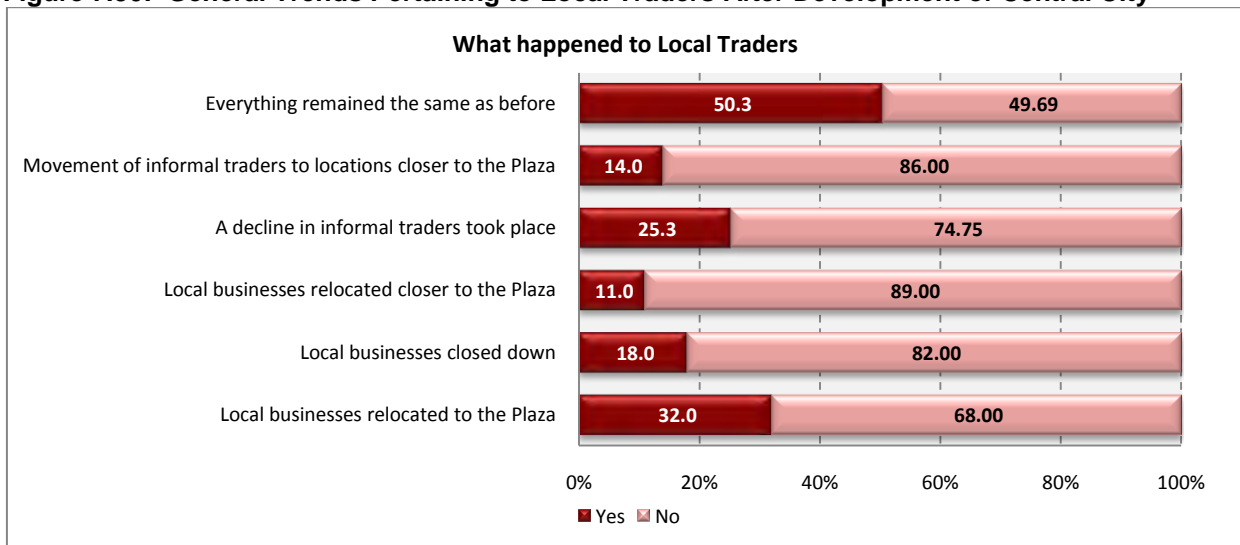
Source: Demacon Household Surveys, 2009

Figure 7.31: Average Taxi/Bus Fares
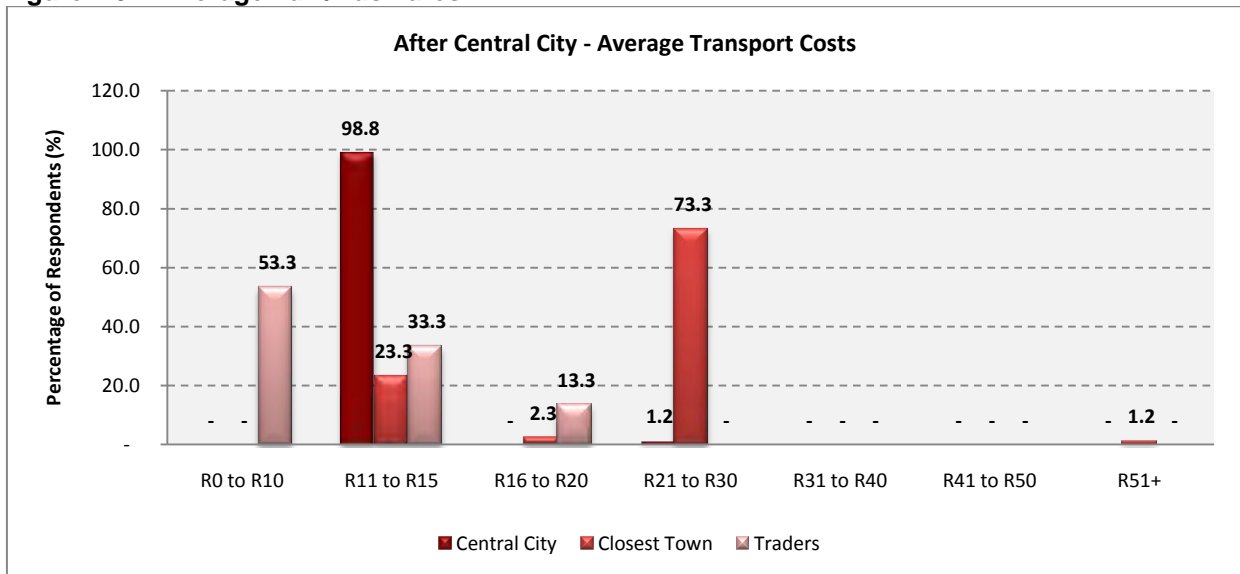
Source: Demacon Household Surveys, 2009

Figure 7.32: To what Extent Do Higher Transport Fares Deter You From Buying Outside the Local Area?
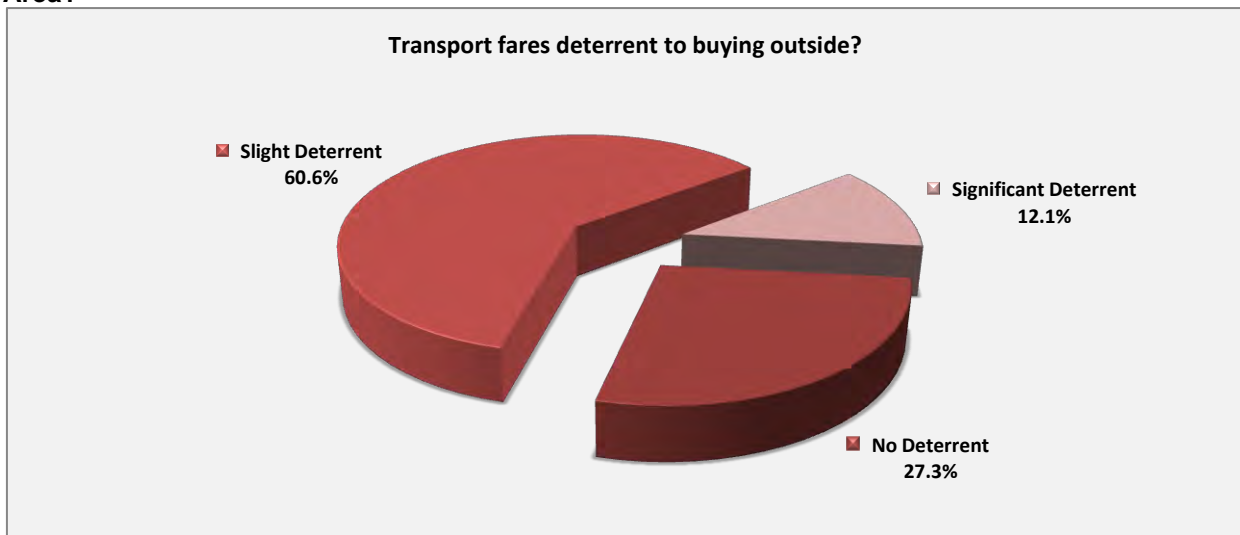
Source: Demacon Household Surveys, 2009

Findings: (Figures 7.31 to 7.33)

✓ In terms of the travel fares to Central City,the majority of respondents pay between R11 and R15 for a round trip – 98.8%, a mere 1.2% of respondents indicated that they pay between R21 and R30 for a round trip. The average weighted travel fare for a round trip to Central City amounts to **R13.1.**

It is important to note that the development of Central City had a positive impact onthe cost of transport to formal retail centres. Before Central City 36.3% of respondents paid more than R15 taxi / bus fares to reach a formal retail centre. Since the development of Central City this percentage declined to just 1.2%.

✓ 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 – 73.3%, followed by 25.6% indicating that they pay between R11 and R20. The average weighted fares for a round trip to the closest town amount to **R23.0.**

✓ In terms of travel fares to local traders; the majority of respondents indicated that they pay less than R10 for a round trip – 53.3%, followed by 33.3% indicating that they pay between

R11 and R15 and 13.3% paying between R16 and R20. The average weighted travel fares to local traders amount to **R9.4.**

✓ The majority of respondents indicated that transport fares represent a slight deterrent to their shopping outside of the local area – **60.6%.** A segment of 27.3% indicated that they do not represent a deterrent at all and 12.1% indicated that they represents significant deterrent to retail expenditure beyond 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 – 53.8%. This is followed by 24.5% of respondents indicating an amount between R11 and R20 and 18.9% indicating amounts between R21 and R40. The average weighted transport fares promoting shopping outside the area amount to **R12.33** 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 the transport fare 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 7.33: Transport Fares That Would Support Shopping Outside the Area

Transport Costs that will still support shopping outside the local area
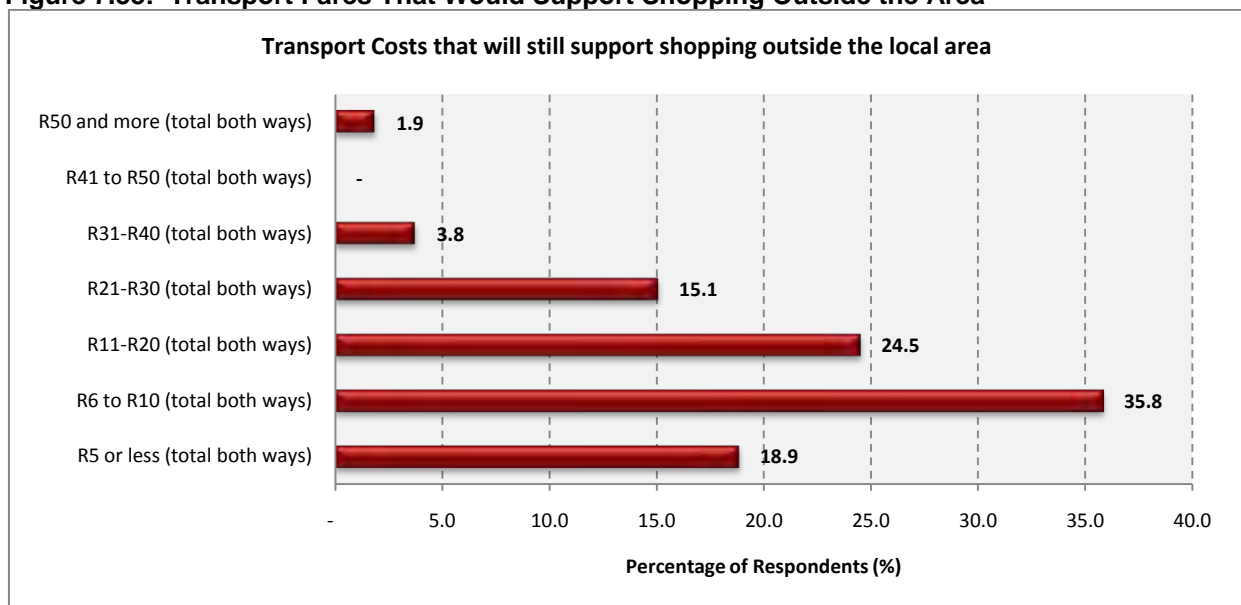
Source: Demacon Household Surveys, 2009

Findings: (Figure 7.34)

✓ The average travel time to Central City – the largest segment of respondents indicated travel times of between 11 and 15 minutes – 42.9%, followed by six to 10minutes (34.5%) and 16 to 20 minutes (11.9%). The average weighted travel time to Central City amount to **12.5 minutes**.

It is important to note that the development of Central City had a positive impact on travel times to formal retail centres. Before Central City a mere 18.0% of respondents travelled for fewer than 15 minutes to a formal retail centre. Since the development of Central City this percentage has increased to a total of 82.2%.

- ✓ The majority of respondents indicated average travel times of 41 minutes and longer to the closest town – 38.5%, this is followed by 35.5% indicating travel times between 21 minutes and 40 minutes, and 17.8% indicated travel times of fewer than 20 minutes. The average weighted travel time to reach the closest town amount to **33.6 minutes.**
- ✓ The majority of respondents indicate average travel times shorter than five minutes to reach local traders – 59.3%, this is followed by 22.2% indicating travel times of between six and 10 minutes and 9.3% indicating travel times between 11 and 20minutes. The average weighted travel time amounts to **7.6 minutes**.

Figure 7.34: Average Travel Time
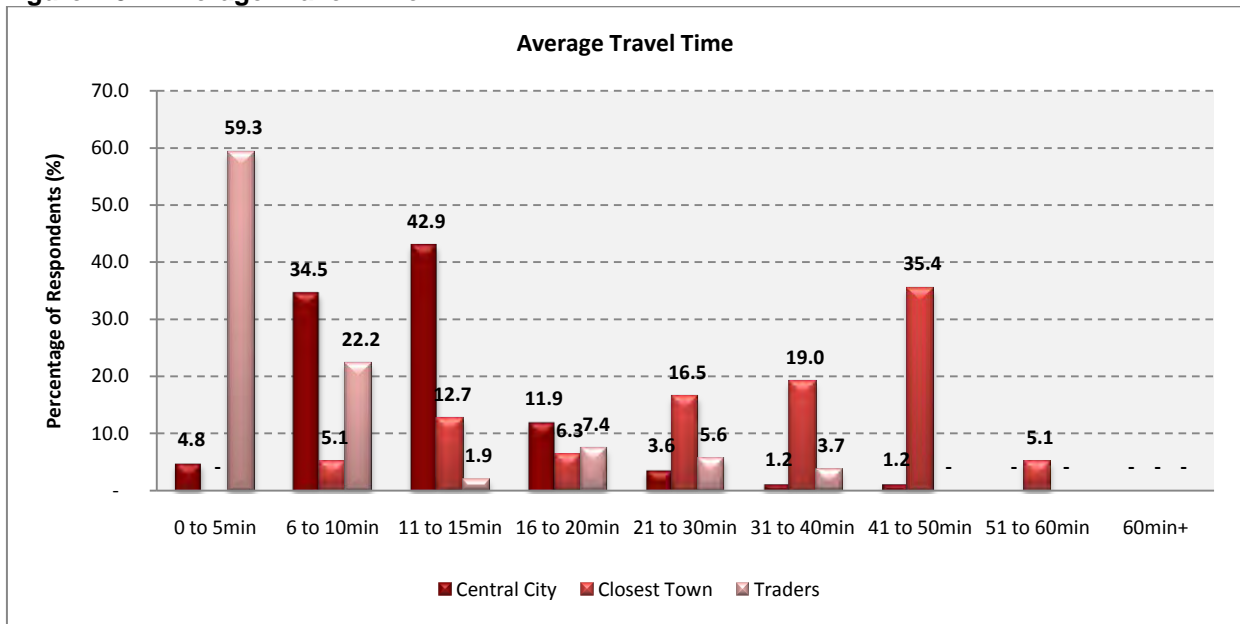
Source: Demacon Household Surveys, 2009

7.4.4 FREQUENCY OF VISITS AND DWELL TIME

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

Figure 7.35: Changes to Visits Over Past Year
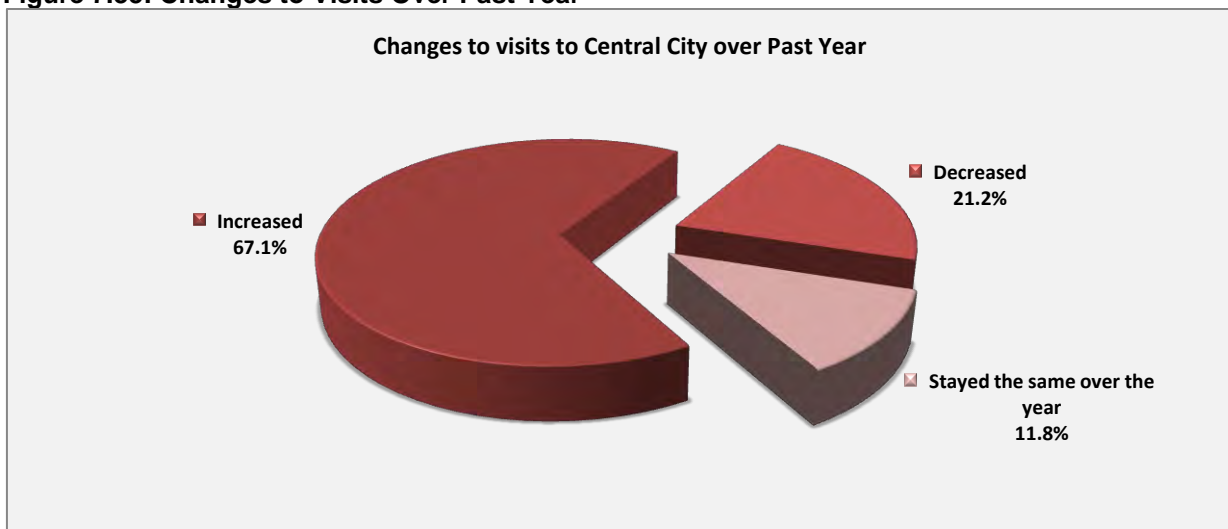
Source: Demacon Household Surveys, 2009

Figure 7.36: Main Purpose for Visiting Central City

Main Purpose for Visiting Central City

- Work in the centre: 4.6
- Specific Shopping - specific shop: 33.2
- General Shopping: 23.0
- Restaurants: 14.8
- Entertainment: 4.6
- Banking/financial services: 19.9

Source: Demacon Household Surveys, 2009

Figure 7.37: Preferred Time of the Day

Time of Day

- Morning (8:00 to 12:00): Shopping 70.0, Entertainment 37.5
- Lunch time (12:00 to 14:00): Shopping 18.9, Entertainment 9.4
- Afternoon (14:00 to 17:00): Shopping 11.1, Entertainment 37.5
- Evening (17:00+): Shopping -, Entertainment 15.6

■ Shopping ■ Entertainment
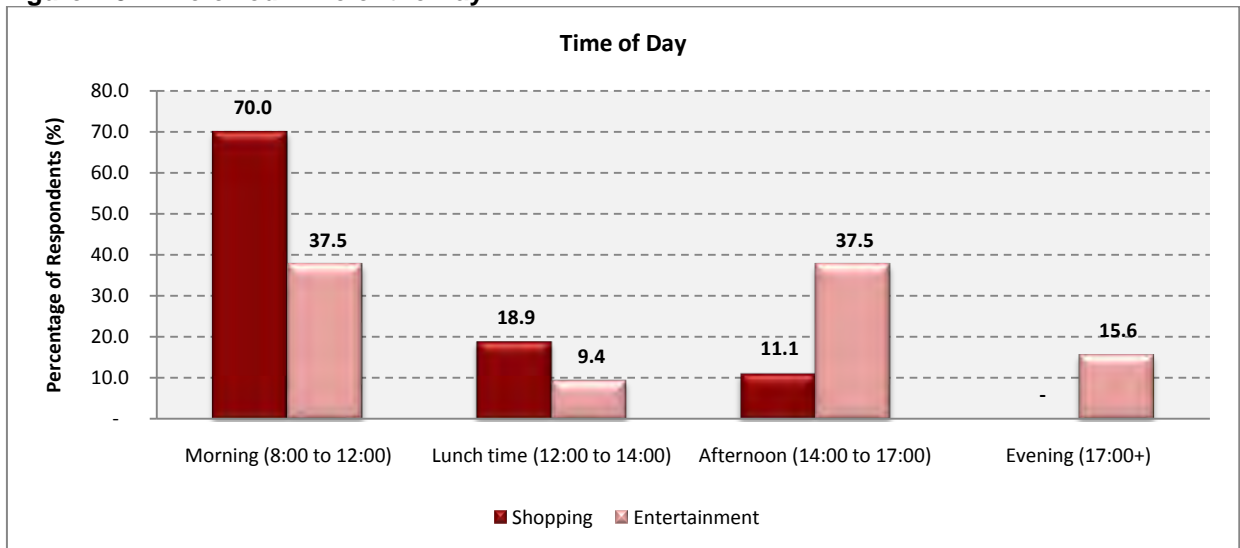
Source: Demacon Household Surveys, 2009

Figure 7.38: Average Dwell Time on Typical Visit

Average Dwell Time

- 30 minutes: 7.9
- 1 hour: 27.6
- 1.5 hour: 28.9
- 2 hours: 23.7
- 2 to 3 hours: 10.5
- 3 hours +: 1.3
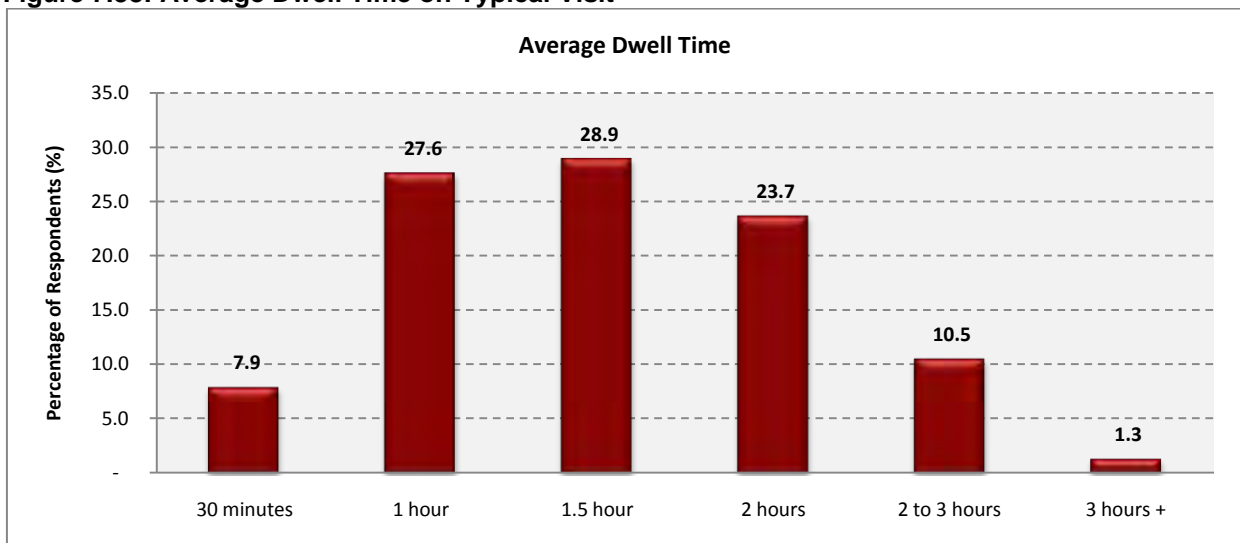
Source: Demacon Household Surveys, 2009

Findings: (Figures 7.35 to 7.38)

✓ The majority of respondents indicated that their visits to Central City have **increased** over the past year – **67.1%,** 11.8% indicated that their visits remained the same and 21.2% indicated that their number of visits declined.

✓ The main purpose for visiting Central City is for visits to specific shops – 33.2%, followed by general shopping (23.0%), banking and financial services (19.9%) and restaurants (14.8%).

✓ The preferred time of the day to shop at the centre is during the morning (70.0%) and over lunch time (18.9%); a small segment of 11.1% indicated a preference for shopping during the afternoon.

✓ The preferred time of the day to visit the centre for entertainment is in the morning (37.5%) and afternoon (37.5%).

✓ The average dwell time is mostly between one and two hours – 80.2%.

7.4.5   SATISFACTION WITH CENTRAL 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 reflect the provision made for informal trade.

Figure 7.39: Overall Level of Satisfaction With Central City

Source: Demacon Household Surveys, 2009

The majority of respondents indicated that they are satisfied (43.2%) with Central City, 39.2% rated the centre as acceptable, and 13.5% indicated that they are more than satisfied with the centre. Only 4.1% indicated that they are not satisfied with the centre.
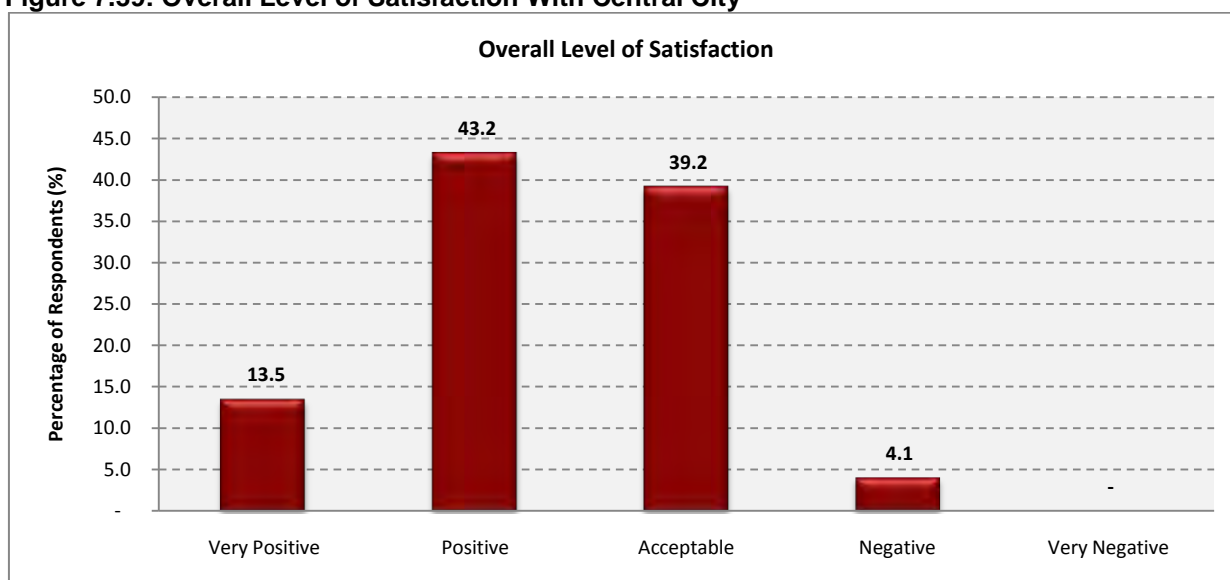
Table 7.6: Rating of Central City Elements

	Rating					Total
	1	**2**	**3**	**4**	**5**	
TENANT MIX						
Overall image of the centre	1.1	13.3	18.9	**33.3**	**33.3**	100.0
Variety of stores	1.3	10.0	31.3	**45.0**	12.5	100.0
Presence of local stores/tenants	-	5.1	35.4	**44.3**	15.2	100.0
Presence of national tenants	-	5.4	31.1	**41.9**	21.6	100.0
Location of stores in relation to each other	-	9.1	**40.3**	36.4	14.3	100.0
Clothing store selection and availability	-	8.0	38.7	**40.0**	13.3	100.0
Convenience services selection and availability	-	9.1	**42.9**	33.8	14.3	100.0
Books / cards / stationery shop selection and availability	1.3	7.9	**43.4**	34.2	13.2	100.0
Entertainment and restaurant selection and availability	6.5	10.4	**37.7**	35.1	10.4	100.0
Health and beauty selection and availability	2.6	10.4	**42.9**	36.4	7.8	100.0

	Rating					Total
	1	2	3	4	5	
Home furnishing and furniture selection and availability	-	9.1	**45.5**	37.7	7.8	100.0
Bank / ATM location and selection	2.7	10.7	**42.7**	36.0	8.0	100.0
Availability and selection of speciality shops	1.3	7.9	35.5	**39.5**	15.8	100.0
PARKING AND ACCESS						
Convenience of the centre's location within the area	1.4	8.7	29.0	**33.3**	27.5	100.0
Transport to the centre	2.6	5.1	**41.0**	20.5	30.8	100.0
Link to public transport – taxi/bus ranks	2.5	7.5	**40.0**	32.5	17.5	100.0
Accessibility of parking	1.3	3.8	36.7	**46.8**	11.4	100.0
Adequacy of parking	-	2.5	39.2	**48.1**	10.1	100.0
Ease of access to the entrance of the centre from parking	-	5.0	36.3	**38.8**	20.0	100.0
FACILITIES						
Adequacy / quality of bathroom facilities	2.3	12.6	19.5	**36.8**	28.7	100.0
Adequacy of disability facilities	-	8.9	26.6	**40.5**	24.1	100.0
Availability of information kiosks and staff	-	11.3	20.0	**47.5**	21.3	100.0
Sufficiency of lifts / escalators	1.2	11.0	20.7	**45.1**	22.0	100.0
Availability of mall layout plans and centre signage	1.3	9.1	22.1	**40.3**	27.3	100.0
CLEANING						
The overall cleanliness of the centre	2.2	10.1	13.5	27.0	**47.2**	100.0
MAINTENANCE						
The overall maintenance of the centre	3.6	7.1	15.5	29.8	**44.0**	100.0
SECURITY						
Safety in the shopping centre and parking area	5.6	10.0	17.8	28.9	**37.8**	100.0
LANDSCAPING AND AESTHETICS						
Overall design and features of the centre	3.8	3.8	21.8	30.8	**39.7**	100.0

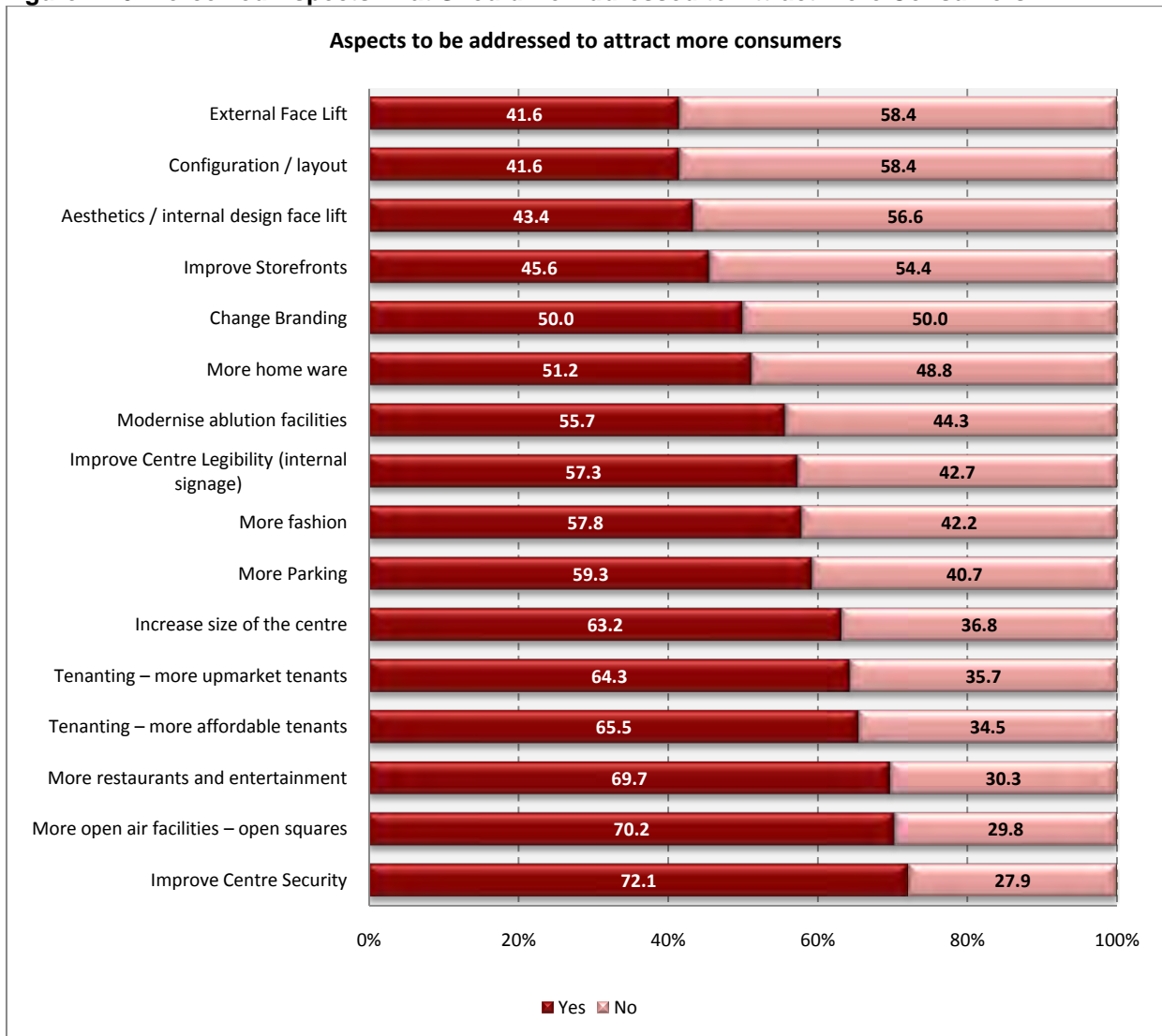*Source: Demacon Household Surveys, 2009*

Findings: (Table 7.6)

✓ It is evident that the majority of tenants are satisfied with the tenant mix of Central City. However, aspects that could be improved include the location of stores to each other, convenience services and availability, entertainment and restaurants, health and beauty selection, bank/ATM selection and location.

✓ The majority of respondents also rated the parking facilities as acceptable to good. Aspects that can be improved on include accessibility, adequacy and ease of access to the entrance of the centre from the parking areas.

✓ The majority of respondents rated the public facilities as good to excellent.

✓ The overall cleanliness, maintenance, landscaping and aesthetics of the mall are rated as excellent by the majority of respondents.

Findings: (Figures 7.40 and 7.41)

✓ The dominant perceived aspects that should be addressed include:
  • Improve centre security;
  • More open air facilities;
  • More restaurants and entertainment;
  • More affordable tenants;
  • Increase the size of the centre;
  • More parking.

✓ The majority of respondents also indicated that no provision is made for informal traders. However, 41.2% indicated that provision is made for informal traders.

Figure 7.40: Perceived Aspects That Should Be Addressed to Attract More Consumers

Aspects to be addressed to attract more consumers

Aspect	Yes	No
External Face Lift	41.6	58.4
Configuration / layout	41.6	58.4
Aesthetics / internal design face lift	43.4	56.6
Improve Storefronts	45.6	54.4
Change Branding	50.0	50.0
More home ware	51.2	48.8
Modernise ablution facilities	55.7	44.3
Improve Centre Legibility (internal signage)	57.3	42.7
More fashion	57.8	42.2
More Parking	59.3	40.7
Increase size of the centre	63.2	36.8
Tenanting – more upmarket tenants	64.3	35.7
Tenanting – more affordable tenants	65.5	34.5
More restaurants and entertainment	69.7	30.3
More open air facilities – open squares	70.2	29.8
Improve Centre Security	72.1	27.9

■ Yes ■ No

Source: Demacon Household Surveys, 2009

Figure 7.41: Provision Made for Informal Traders

Provision for Informal Traders

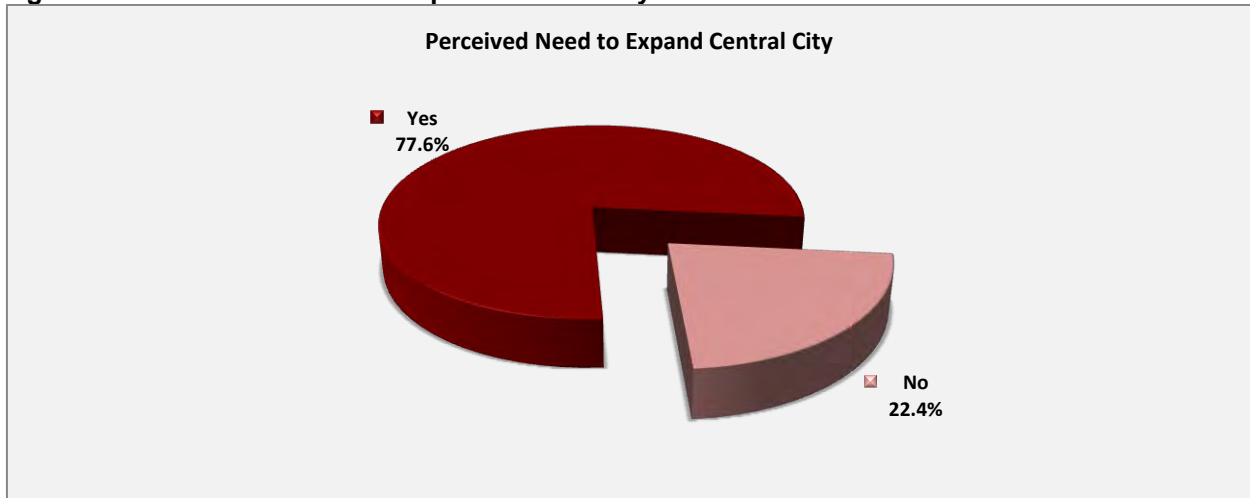

■ Yes 41.2%
■ No 58.8%
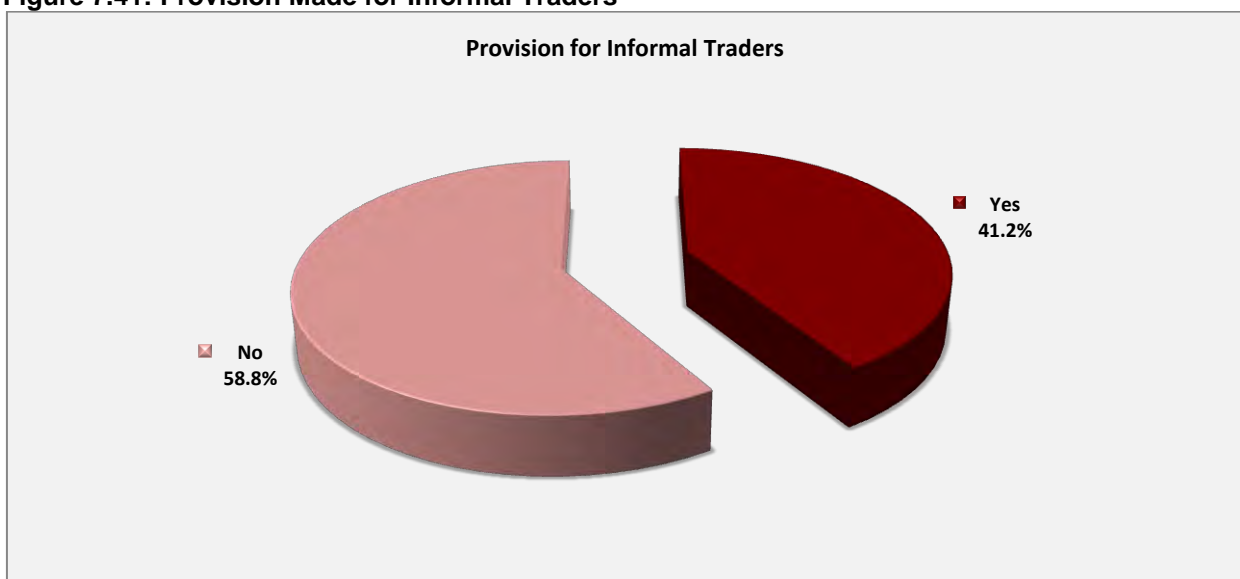
Source: Demacon Household Surveys, 2009
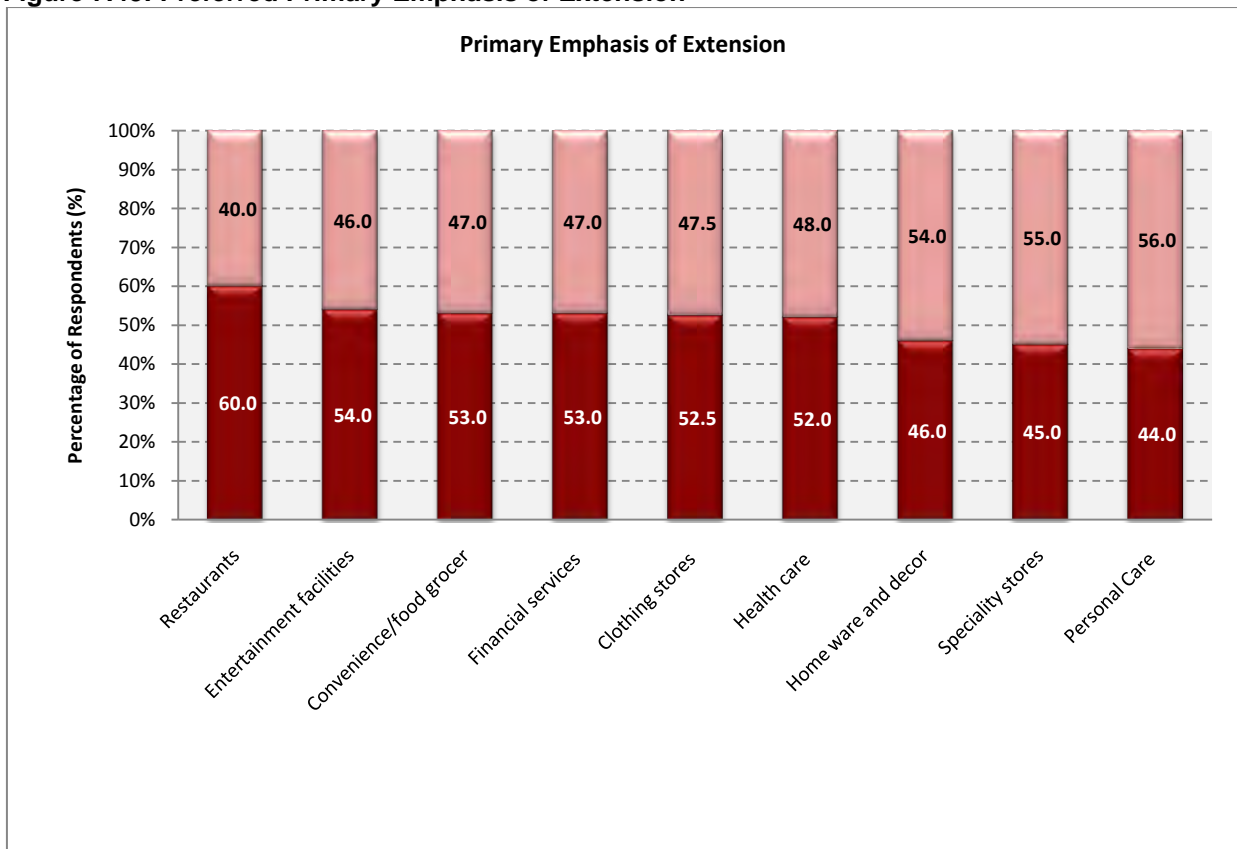
7.4.6   NEED TO EXPAND CENTRAL CITY

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

Figure 7.42: Perceived Need to Expand Central City

Perceived Need to Expand Central City

■ Yes
77.6%

⊠ No
22.4%

Source: Demacon Household Surveys, 2009

Figure 7.43: Preferred Primary Emphasis of Extension

Primary Emphasis of Extension

Percentage of Respondents (%)

|	Restaurants	Entertainment facilities	Convenience/food grocer	Financial services	Clothing stores	Health care	Home ware and decor	Speciality stores	Personal Care
Top	40.0	46.0	47.0	47.0	47.5	48.0	54.0	55.0	56.0
Bottom	60.0	54.0	53.0	53.0	52.5	52.0	46.0	45.0	44.0

Source: Demacon Household Surveys, 2009

Findings: (Figures 7.42 and 7.43)

✓ The majority of respondents indicated a perceived need to extend Central City – **77.6%**
✓ The preferred primary emphasis of this extension should be on restaurants, entertainment, convenience/food grocer, financial services, clothing stores and health care.

7.4.7   OVERALL IMPACT OF CENTRAL CITY

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

Figure 7.44: Overall Impact of Central City
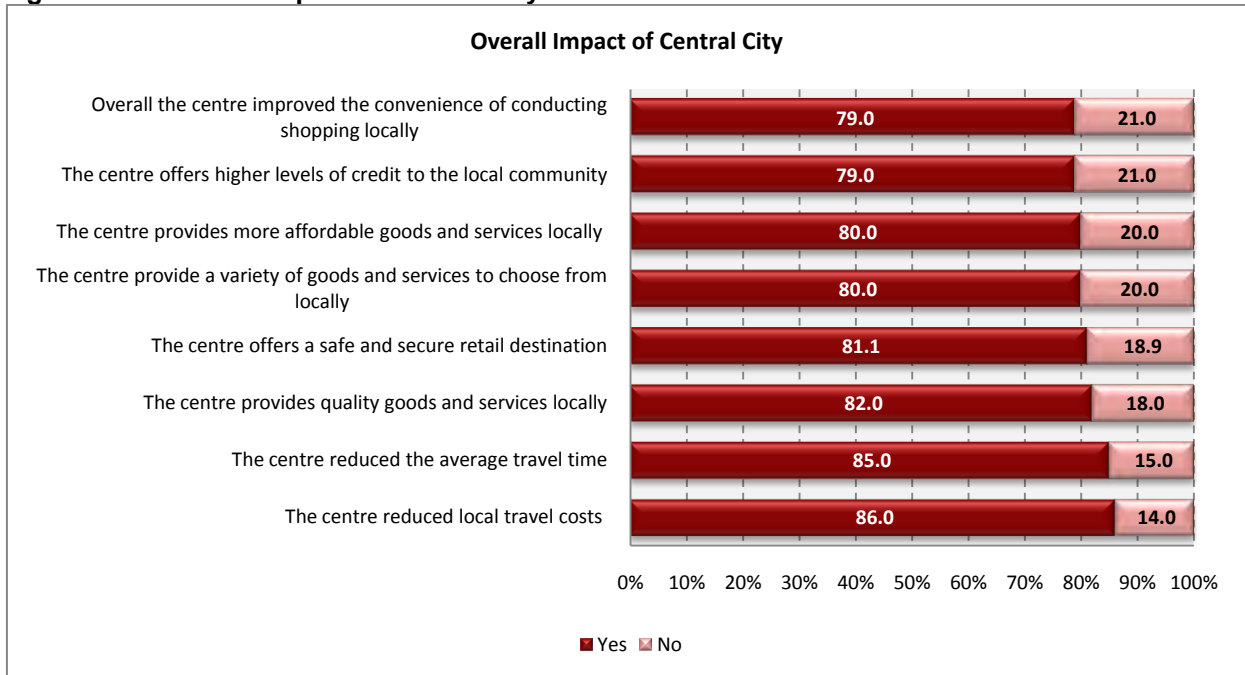
Source: Demacon Household Surveys, 2009

Findings: (Figure 7.44)

The development of Central City resulted in the following dominant impacts:

1. It reduced the average travel cost to retail centres;
2. It reduced the average travel time to retail centres;
3. It provides quality goods and services locally;
4. The centre offers a safe and secure retail destination;
5. The centre provides a variety of goods and services to choose from locally.

7.4.8   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. Changes in these aspects generally have a direct impact on changes to living standards. These changes in living standards are therefore not directly linked to the development of Jabulani Mall, but also influenced by an array of factors listed below.

Figure 7.45: Changes in Living Standards – 5 to 10yrs
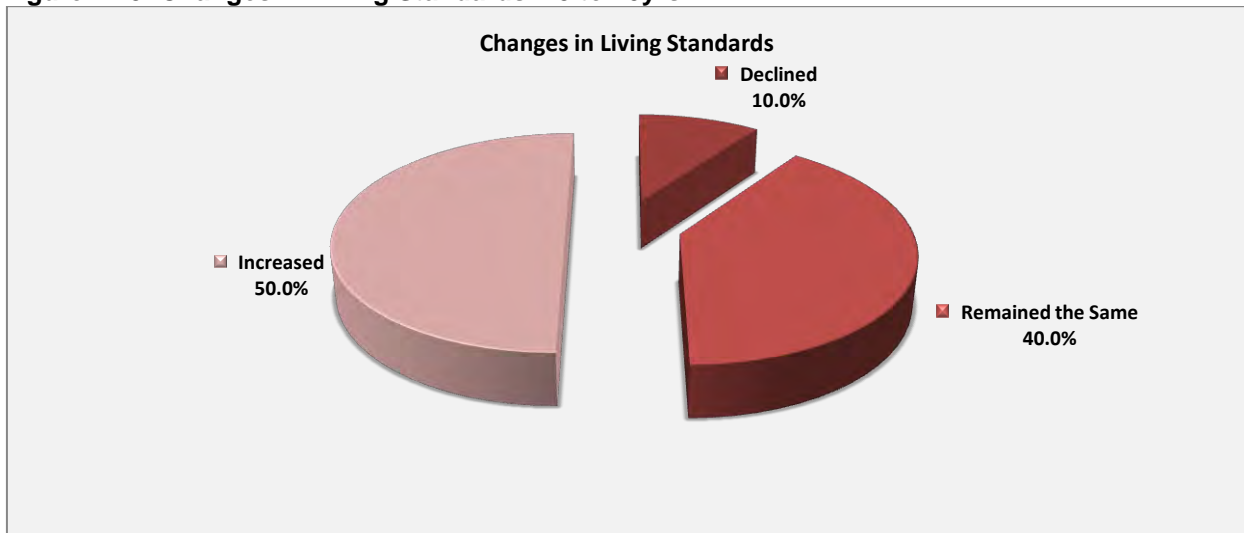
Source: Demacon Household Surveys, 2009

Figure 7.46: Average Monthly Household Income Before Deductions
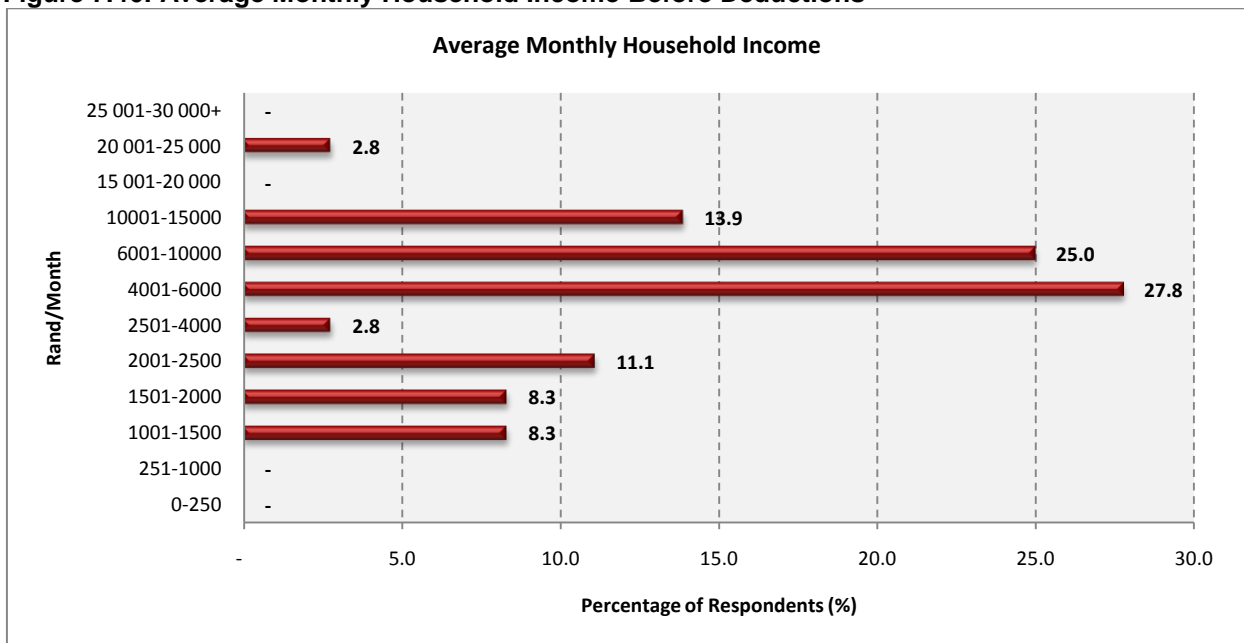
Source: Demacon Household Surveys, 2009

Findings: (Figures 7.45 to 7.46)

✓ The majority of respondents indicated that their living standard increased over the past five to 10 years – 50.0%, followed by 40.0% indicating that it remained the same and 10.0% indicating a decline.

✓ These changes can largely be ascribed to the economic recession, fewer expenses, higher living costs, improved access to services, access to facilities and services locally.

✓ The weighted average monthly household income amounts to **R6 340.8.** This figure is more or less on par with incomes specified under the socio-economic profile[72].

✓ In terms of remittances it was indicated that 26.0% of respondents obtain a certain percentage of their income from remittances. 57.7% of these respondents receive remittances making up 10% to 30% of their monthly incomes, 11.5% indicated that

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[72] 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.

remittances make up 70% to 80% of their monthly incomes and 30.8% of respondents indicated that remittances make up 100% of their income.

✓ 19.0% of respondents also indicated that a certain portion of their income originates from the social grant system. 89.5% of these respondents obtain social grants constituting 10% to 30% of their monthly income, 10.5% obtain social grants constituting 100% of their monthly income.

7.5   SYNTHESIS

This chapter provided an in-depth assessment of Central 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 Central City had on the local community and economy – Table 7.7.

Table 7.7: Impact of the Development of Central City

	Change	Impact
Changes in shopping location:		
Pretoria Central	51.0% to 28.1%	⬇
Pretoria North	14.8% to 9.9%	⬇
Ga-Rankuwa	13.4% to 2.5%	⬇
Soshanguve	8.1% to 29.8%	⬆
Mabopane	8.1% to 15.7%	⬆
Other	4.7% to 14.0%	⬆
Percentage of shopping conducted outside the local areas	65.2% to 44.7%	⬇
Percentage of shopping at local traders	19.7% to 24.3%	⬆
Average transport cost:		
Retail centre	R14.5 to R13.1	⬇
Local traders	R12.8 to R9.4	⬇
Average travel time:		
Retail centre	28.1min to 12.5min	⬇
Local traders	9.3min to 7.6min	⬇
Monthly household retail expenditure	R816.9 to R1 338.0 Central City – R936.6	⬆
Impact on local traders:	Slight to large decline in support – 58.5%	⬇
1. **Everything remained the same**	50.3%	**Constant**
2. **Decline in informal traders**	25.3%	**Negative**
3. **Closure of local businesses**	18.0%	**Negative**
4. **Informal traders moved closer to the centre**	14.0%	**Positive**
5. **Movement of local businesses closer to the centre**	11.0%	**Positive**
6. **Movement of local business to the centre**	3.2%	**Positive**
Overall impact of Central City		
1. **Reduced average travel cost**	86.0%	**Positive**
2. **Reduced average travel time**	85.0%	**Positive**
3. **Provide good quality goods and services locally**	82.0%	**Positive**
4. **Centre offers a safe and secure retail destination**	81.1%	**Positive**
5. **Centre provides a variety of goods and services to choose from locally**	80.0%	**Positive**

From Table 7.7 it is evident that the overall impact of Central City has been positive. It is interesting to note that percentage of shopping conducted at local traders increased, although a large segment of respondents indicated that the development had a perceived negative impact on local traders. Overall, the centre has improved the retail landscape within the local area; reducing travel costs and travel time, reducing the leakage of buying power and improving the overall convenience of shopping locally.