CHAPTER EIGHT: IN-DEPTH CASE STUDY ANALYSIS – LIBERTY PROMENADE

8.1 INTRODUCTION

Liberty Promenade represents a minor regional centre located in the heart of Mitchell's Plain, Cape Town. 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.

8.2 LIBERTY PROMENADE PROFILE AND LOCATION WITH REFERENCE TO COMPETITION

8.2.1 LIBERTY PROMENADE PROFILE

Table 8.1 provides a condensed profile of Liberty Promenade. Overall it is evident that it represents a minor regional centre of 53 581m^2 retail GLA, located on the corner of ZA Berman Drive and Morgenster Road, in the town centre of Mitchell's Plain. It was developed in 2003 and refurbished in 2006. It consists of a single retail floor with 150 shops and 2 452 parking bays. It is anchored by Edgars, Woolworths, Game and Pick 'n Pay.

Table 8.1: Liberty Promenade Profile

Centre type	**Minor regional centre**
Centre size	**53 581m^2 retail GLA**
Location	**Cnr ZA Berman Drive & Morgenster Rd, Town Centre, Mitchell's Plain**
Date of development	**2003**
Number of retail floors	**1**
Number of shops	**150**
Number of parking bays	**2 452 open**
Anchor tenants	**Edgars Woolworths Game Pick 'n Pay**
Owner	**Liberty Group Limited**
Developer	**Keystone Investments (Pty) Ltd**

Source: Demacon Ex. SACSC, 2010

Preliminary work is well under way on the extension and refurbishment project which will increase the size of Liberty Promenade by approximately 24 000m^2 - an area roughly equal to the size of five soccer fields. Shoppers can look forward to new stores, additional parking bays, a new family entertainment wing, additional public toilets, a covered taxi rank area and a state-of-the-art surveillance system. The project is scheduled for completion in the last quarter of 2010.

Shopping at Liberty Promenade in Mitchell's Plain continues as usual while the extension and refurbishment project proceeds according to schedule. Liberty Properties' investment of more than R340 million will add approximately 24 000m^2 to Liberty Promenade, making it the largest shopping centre in a previously disadvantaged area in the Western Cape. Approximately 33.4% of the project's current workforce is made up from the communities of Mitchell's Plain, Khayelitsha and Phillipi.

Liberty Promenade is owned by Liberty Group, managed by Liberty Properties and the development is being managed by Liberty Property Development.

Picture 8.1: Liberty Promenade Layout[73]

[73] Source: www.promenade.co.za

8.2.2 LOCATION OF LIBERTY PROMENADE IN RELATION TO ITS COMPETITION

Map 8.1 indicates the location of Liberty Promenade with reference to existing retail centres within a 10km radius. Table 8.2 indicates the detail of existing supply within a 10km radius.

Table 8.2: Existing Supply Within 10km from Liberty Promenade

Centre	Location	Size (m^2GLA)	Classification	Developed	Shops	Anchors
Liberty Promenade - Mitchell's Plain	Mitchell's Plain	53 581	Regional Centre	2003	127	Edgars, Woolworths, Game, Pick n Pay
Westgate Mall	Mitchell's Plain	30 115	Community centre	1990	77	Checkers, Woolworths
Gugulethu Square	Gugulethu	30 000	Community centre	2009	89	Shoprite, Spar, Jetmart, Pep, Ackermans
Ottery Centre	Ottery	29 000	Hypermarket centre	1986	52	Pick n Pay Hypermarket
Khayelitsha Mall	Khayelitsha	19 254	Community centre	2005	58	Shoprite, Spar
Airport Shopping Centre	Bellville	12 149	Community centre	2007	65	Shoprite, Pepkor, ABSA, Nedbank
OK Bazaars - Mitchell's Plain	Mitchell's Plain	10 428	Neighbourhood centre	1995	30	Shoprite, Jet, Legit
Nyanga Junction	Manenberg	10 071	Community centre	1994	110	Pick n Pay, Campwell Hardware
Station Plaza	Mitchell's Plain	9 260	Neighbourhood centre	1992	80	Shoprite
Shoprite Centre - Mitchell's Plain	Mitchell's Plain	8 167	Neighbourhood centre	1970	9	Shoprite, Pep Stores
China City	Ottery	7 900	Neighbourhood centre	2007	51	Small retailers
Cape Town International Airport	Airport Industria	5 716	Speciality centre	1992	55	Big Five Duty Free, Out Of Africa
Pick n Pay Town Centre - Mitchell's Plain	Mitchell's Plain	5 142	Neighbourhood centre	1985	1	Pick n Pay Family
Rocklands Centre	Mitchell's Plain	5 044	Neighbourhood centre	1982	17	Shoprite Checkers
Shoprite Centre - Philippi	Philippi	5 014	Neighbourhood centre	2003	15	Shoprite
Shoprite Centre - Mfuleni	Mfuleni	4 539	Local convenience centre	2007	15	Shoprite
Westridge Centre	Mitchell's Plain	4 126	Local convenience centre	1978	26	Shoprite Checkers
Mutual Plain - Symphony Walk	Mitchell's Plain	4 069	Local convenience centre	1991	11	Ackermans, ABSA, Choice Clothing
Nonquabela Shopping Centre	Khayelitsha	2 922	Local convenience centre		15	Score Supermarket
Opera Place	Mitchell's Plain	2 246	Local convenience centre	1980	12	
Lentegeur Shopping Centre	Mitchell's Plain	2 174	Local convenience centre	1985	16	Shoprite Checkers
Sonata Lane	Mitchell's	2 158	Local	1991	10	Discom, Morkels

Centre	Location	Size (m^2GLA)	Classification	Developed	Shops	Anchors
	Plain		convenience centre			
Unity Centre	Mitchell's Plain	1 745	Local convenience centre		2	
Total		**264 820**				

Source: Demacon, 2010

- ✓ There are 22 other retail centres within a 10km radius from Liberty Promenade.
- ✓ Twelve are located in Mitchell's Plain, two are located in Ottery, two are located in Khayelitsha, one in Guguletha, one in Manenberg, one in Philippi, one at the international airport, one in Bellville and one in Mfuleni.
- ✓ These include five community centres, one hypermarket, one speciality centre, seven neighbourhood centres and eight local convenience centres.
- ✓ The sizes of the centres vary between 1 745m^2 retail GLA and 30 115m^2 retail GLA.
- ✓ The centres excluding Liberty Promenade constitute a total of 211 239m^2 of retail GLA.
- ✓ Only six of these centres were developed post 2000 (excluding Liberty Promenade).
- ✓ Anchors include Edgars, Woolworths, Game, Pick 'n Pay, Checkers, Shoprite, Spar, Jetmart, Pep, Ackermans, ABSA, Nedbank, Legit, Score.

Overall, Liberty Promenade is located in a market area characterised by high levels of supply, however, it represents the largest centre and the only regional centre in the area.

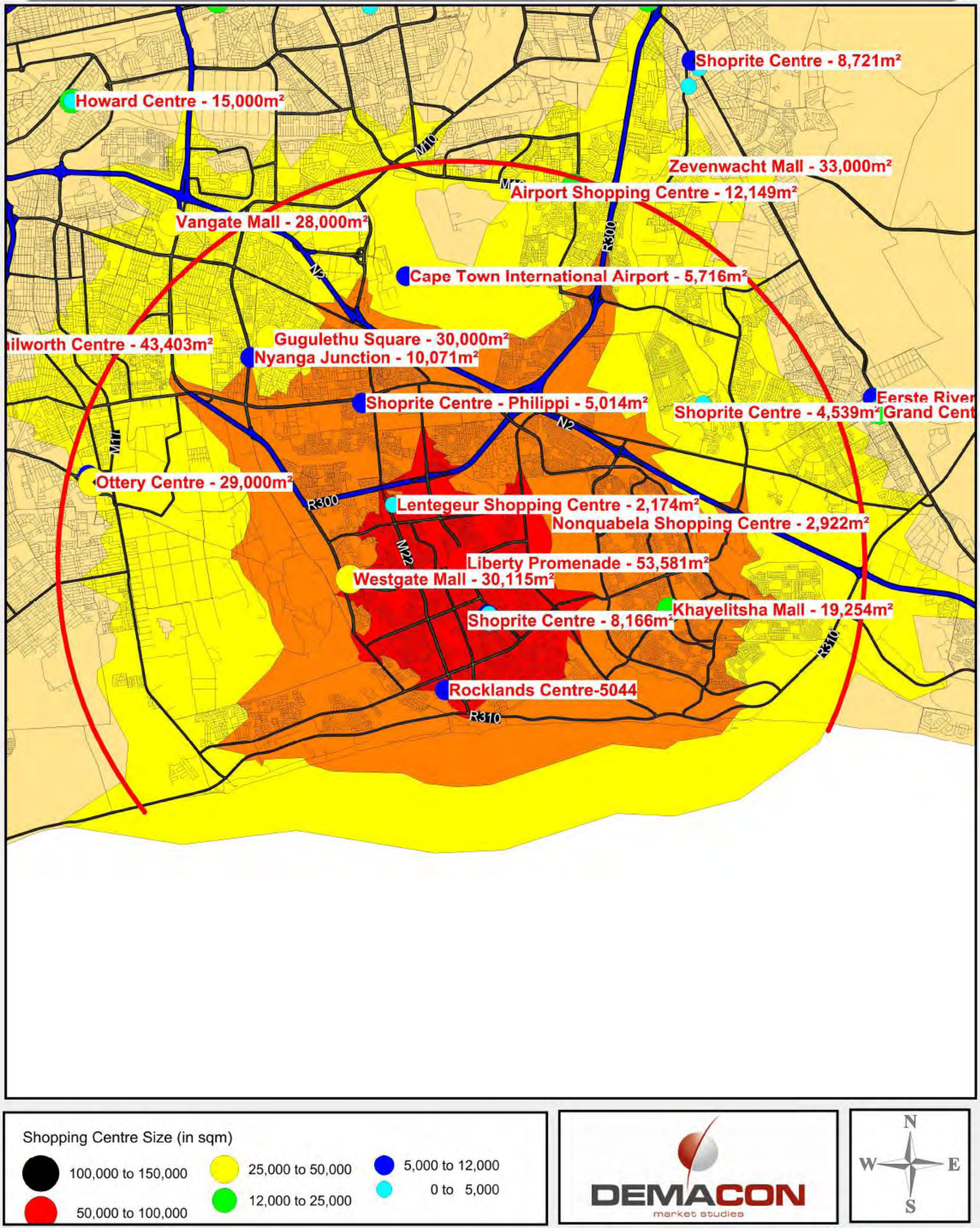
8.3 CONSUMER MARKET PROFILE

In order to understand the consumer market profile of Liberty Promenade, a 10km trade area was delineated – Refer to Map 8.2.

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 8.1: Location of Liberty Promenade and Other Retail Centres Within 10km Trade Radius



Map 8.2: Liberty Promenade Primary Trade Area Delineation, 10km Radius

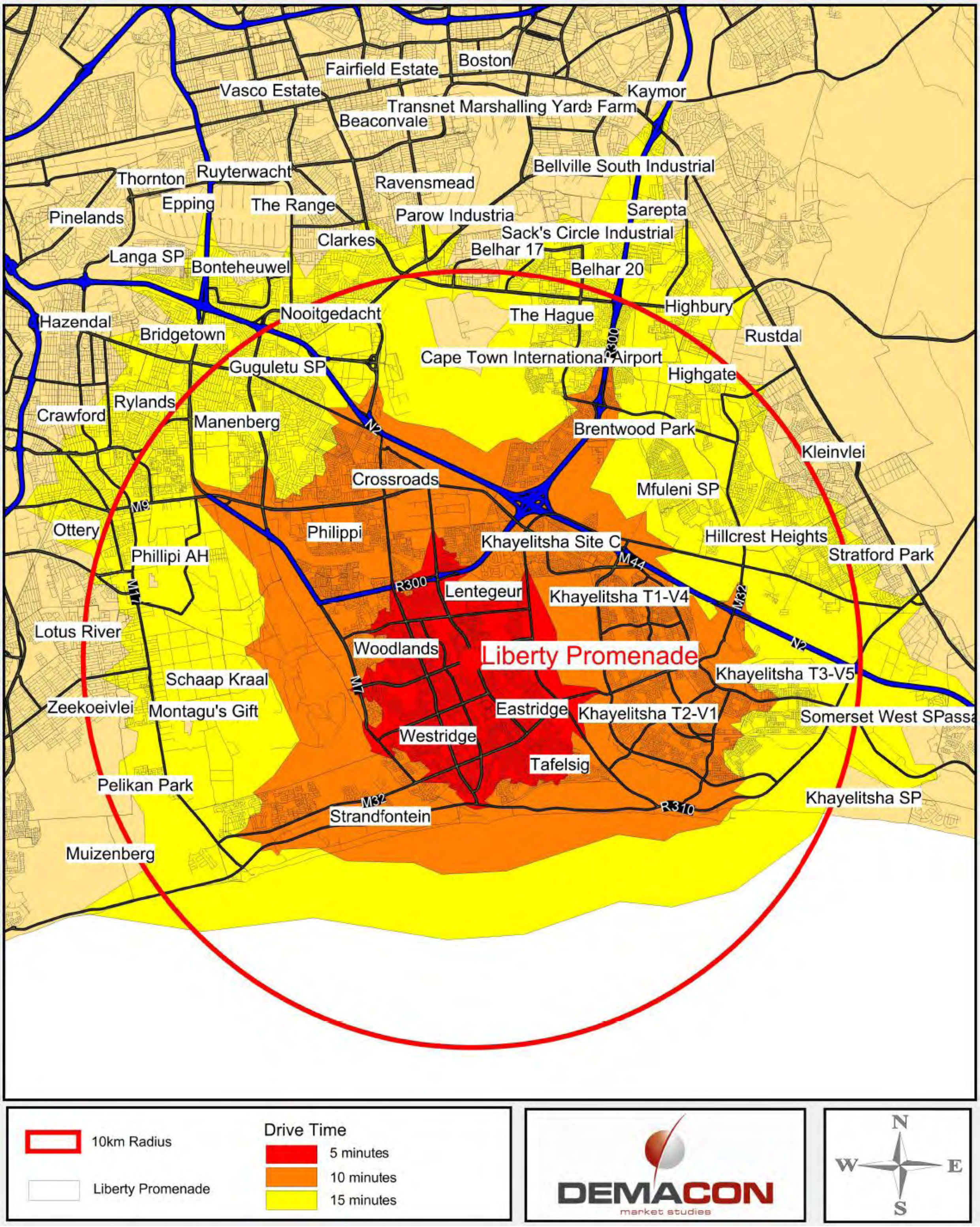


Table 8.3: Liberty Promenade Primary Consumer Market Profile, 2010 Estimates

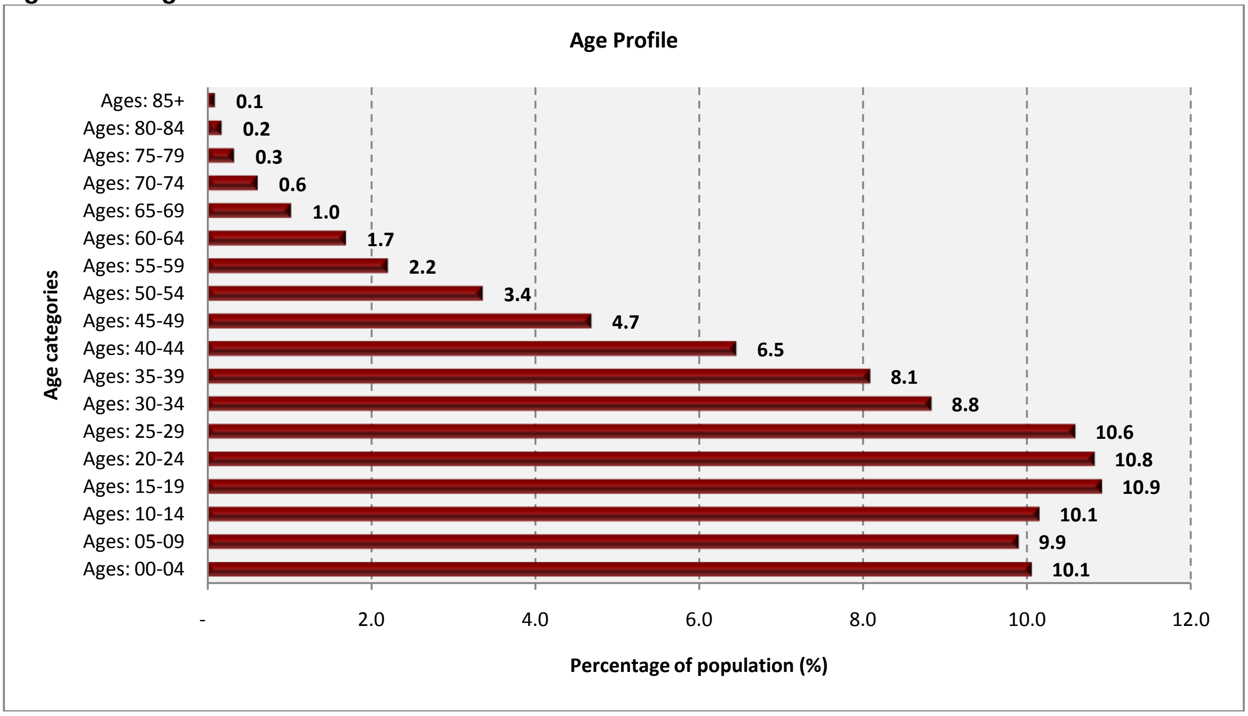
Variable	Primary Source Market Characteristics
Number of people	✓ 1.3 million
Number of households	✓ 320 627
Household size	✓ 4.0
Household density	✓ 2 289.6 households/km^2
Racial distribution	✓ African blacks – 53.7% ✓ Coloureds – 45.5% ✓ White – 0.9% ✓ Asian – 0.2%
Age profile	✓ 0-14: 30.1% ✓ 15-19: 10.9% ✓ 21-35: 30.2% ✓ 36-65: 26.5% ✓ 65+: 2.3%
Educational attendance (aged 5 to 24 years)	✓ School: 59.6% ✓ None: 34.6% ✓ Pre-school: 3.2% ✓ College: 1.0% ✓ Other: 1.7%
Highest level of education (aged 20 and older)	✓ Higher: 4.0% ✓ Grade 12: 19.7% ✓ Some secondary: 45.8% ✓ Some primary and primary: 24.7% ✓ None: 5.6%
Level of employment	✓ EAP: 67.5% ✓ Employed: 58.1% ✓ Unemployed: 41.9%
Manner of employment	✓ Paid employees: 92.1% ✓ Self-employed: 5.0% ✓ Family worker: 2.0% ✓ Employer: 0.9%
Occupation profile	✓ Elementary occupations: 31.1% ✓ Craft and related trade: 16.0% ✓ Service workers: 13.1% ✓ Clerks: 12.6% ✓ Plant and machine operators and assemblers: 12.2% ✓ Technicians and associate professionals: 7.9% ✓ Professionals: 3.3% ✓ Legislators, senior officials and managers:2.9%
Weighted average household income[74]	Total market earning an income: ✓ R94 074.7/annum ✓ R7 839.6/month LSM 4 to 10+: ✓ R114 924.9/annum ✓ R9 577.1/month
LSM profile	✓ LSM 1-3: 36.3% ✓ LSM 4-10+: 63.7%
Mode of transport	✓ On Foot: 41.3% ✓ Train: 17.2% ✓ Private Vehicle: 15.2% ✓ Mini-bus: 12.2% ✓ Bus: 12.1%
Dwelling type	✓ House on separate stand: 49.0% ✓ Informal dwelling on separate stands: 28.0% ✓ Townhouses and cluster units: 6.9% ✓ Informal dwelling in backyard: 5.5% ✓ Flat in block of flats: 4.3% ✓ House/flat/room in backyard: 2.0%

Source: Demacon Ex. Quantec, 2010

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

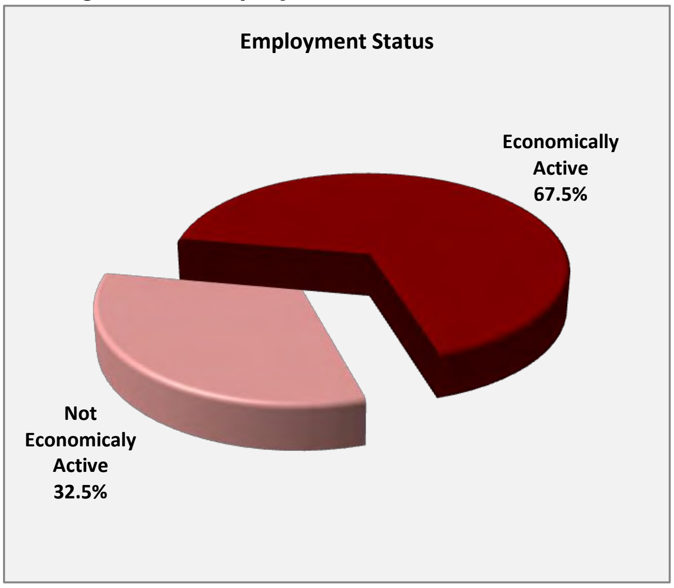
[74] Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weighted, and then adding the results.

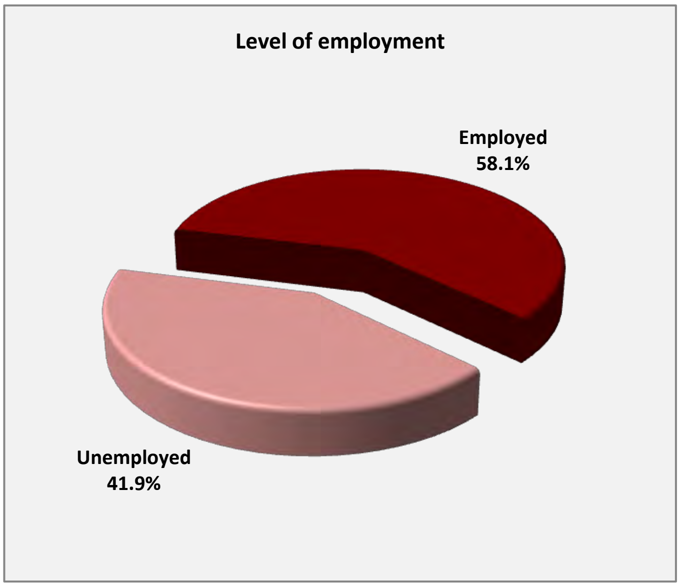
Figure 8.1: Age Profile of Consumer Market



Source: Demacon Ex. Quantec, 2010

Figure 8.2: Employment Status





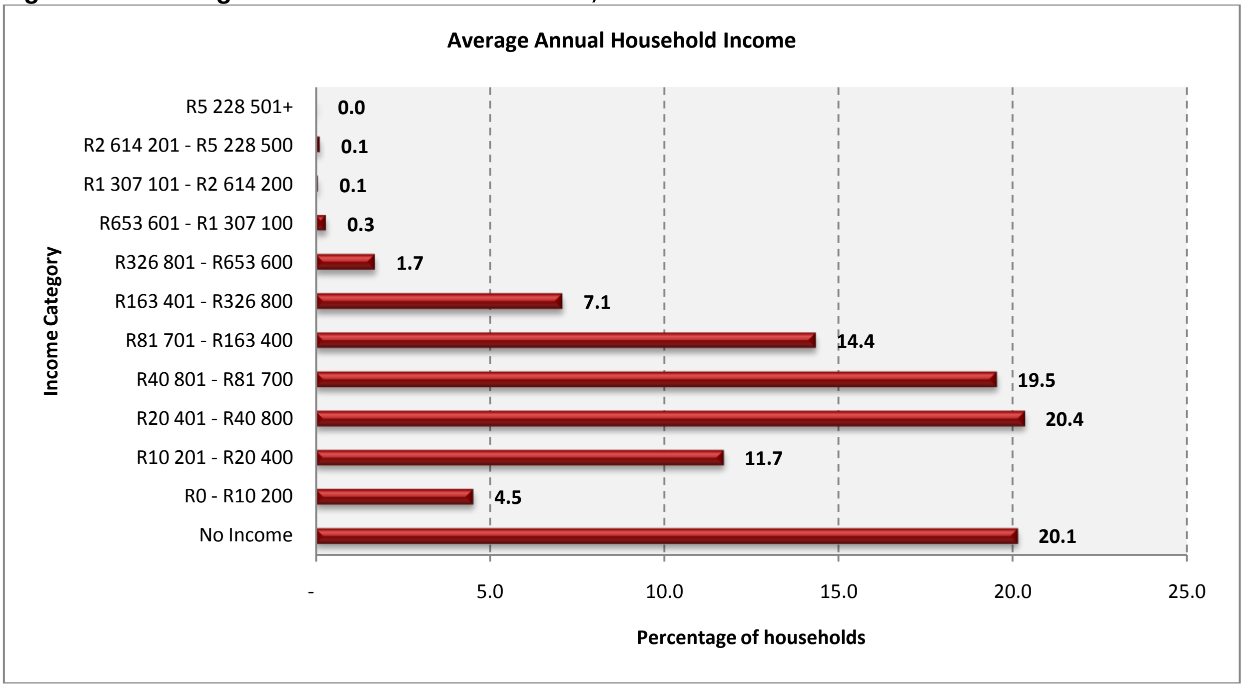
Source: Demacon Ex. Quantec, 2010

Table 8.4: Living Standard Measurement Indicator, 2010

Income category (R/month)	LSM Status	Market Area
Super A income	LSM 10+	1.6
A Income	LSM 10	0.7
B Income	LSM 9	5.0
C Income high	LSM 8	2.1
C Income low	LSM 7	11.5
D Income	LSM 6	14.6
D Lower top	LSM 4 to 5	28.2
D lower end	LSM 1 to 3	36.3

Source: Demacon Ex. Quantec, 2010

Figure 8.3: Average Annual Household Income, 2010



Source: Demacon Ex. Quantec, 2010

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

- ✓ At least **320 627** households (2010);
- ✓ Largely an African black and coloured 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 moderate dependency ratios;
- ✓ Occupation profile reflects a dominance of blue collar occupations – serving as a proxy for 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 **R9 577.1** (2010);
- ✓ Moderate to higher living standard levels – **LSM 1 to 3 (36.3%); LSM 4 to 10+ (63.7%);**
- ✓ 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 largely focused towards the middle to upper spectrum of commercial products and services.

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

8.4 IMPACT OF THE DEVELOPMENT OF LIBERTY PROMENADE

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

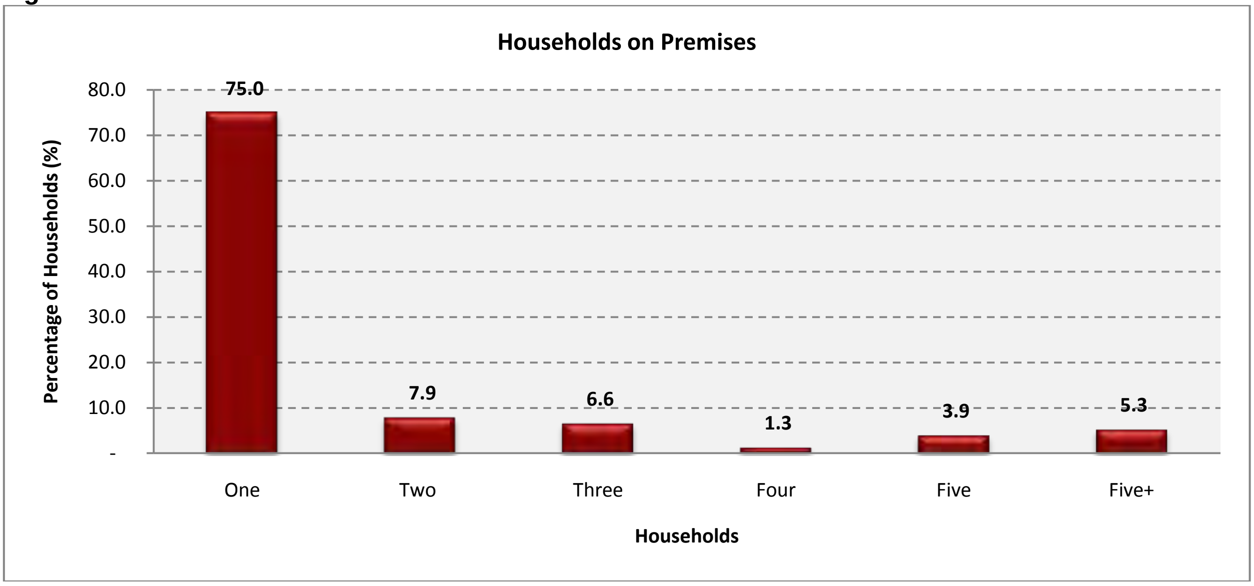
The findings of these surveys are addressed under the subsequent main headings:

- ✓ Household information;
- ✓ Past consumer behaviour;
- ✓ Current consumer behaviour;
- ✓ Frequency of visits and dwell time;
- ✓ Level of satisfaction;
- ✓ Need to expand Liberty Promenade;
- ✓ Overall impact of the development of Liberty Promenade;
- ✓ Living standard and average annual income.

8.4.1 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 8.4: Number of Households on Premises



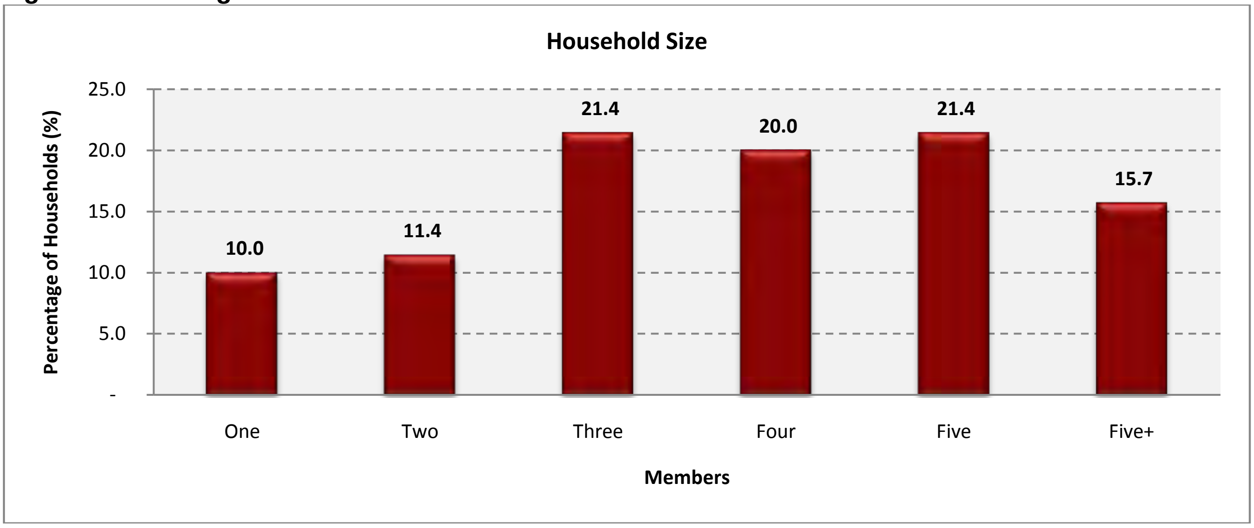
Source: Demacon Household Surveys, 2009

Findings: (Figures 8.4 to 8.8)

Consumer market reflects the following household characteristics:

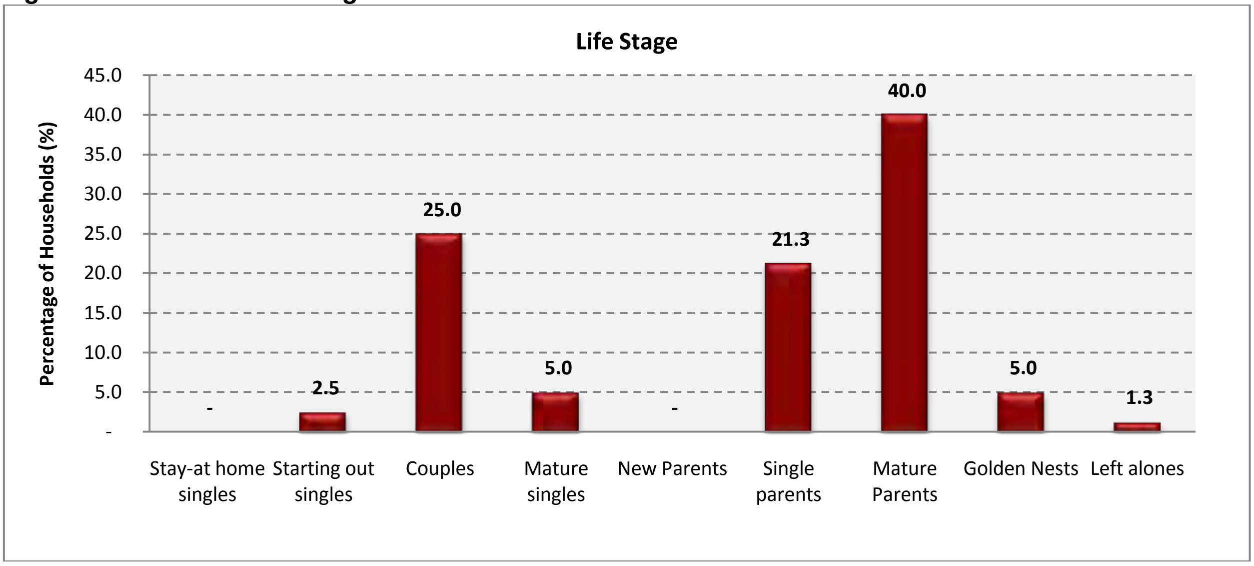
- ✓ In most cases (75.0%) there is one household on the premises, while 25% of respondents have more than one household on the premises;
- ✓ Households mostly consist of more three to five members (62.8%);
- ✓ The dominant life stages include mature parents (40.0%), couples (25.0%) and single parents (21.3%);
- ✓ The age profile of household members reflects a dominant adult population (38.0%), supported by a slightly smaller segment of young adults (25.5%) and a segment of children (23.8%) and teenagers (12.7%);
- ✓ The mothers (51.2%), followed by the fathers (25.6%) and daughters (9.9%) are mainly responsible for retail purchases.

Figure 8.5: Average Household Size



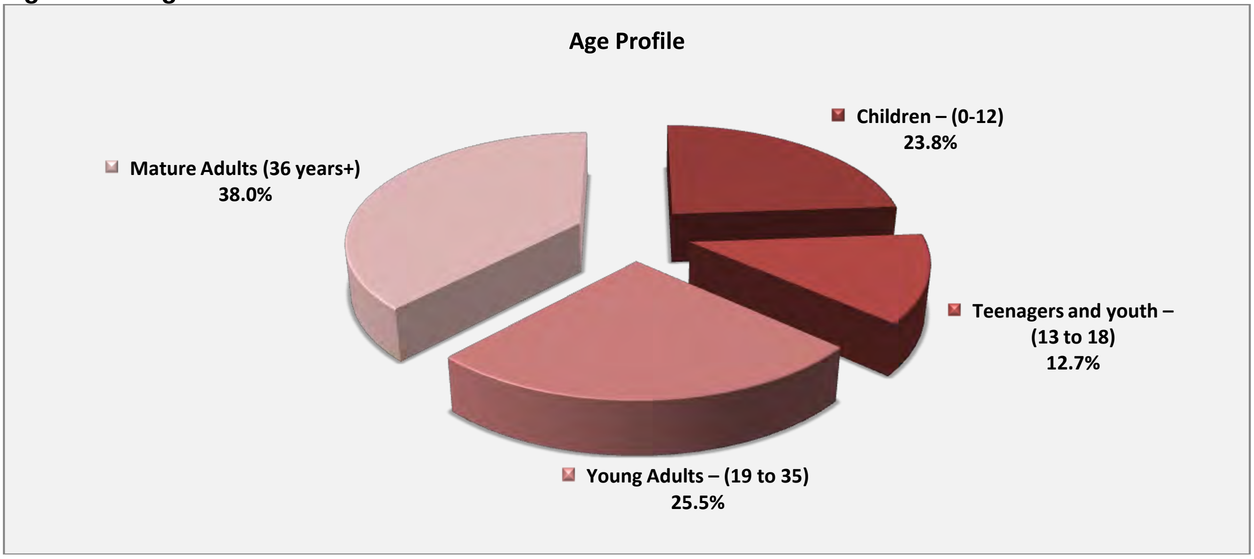
Source: Demacon Household Surveys, 2009

Figure 8.6: Current Life Stage



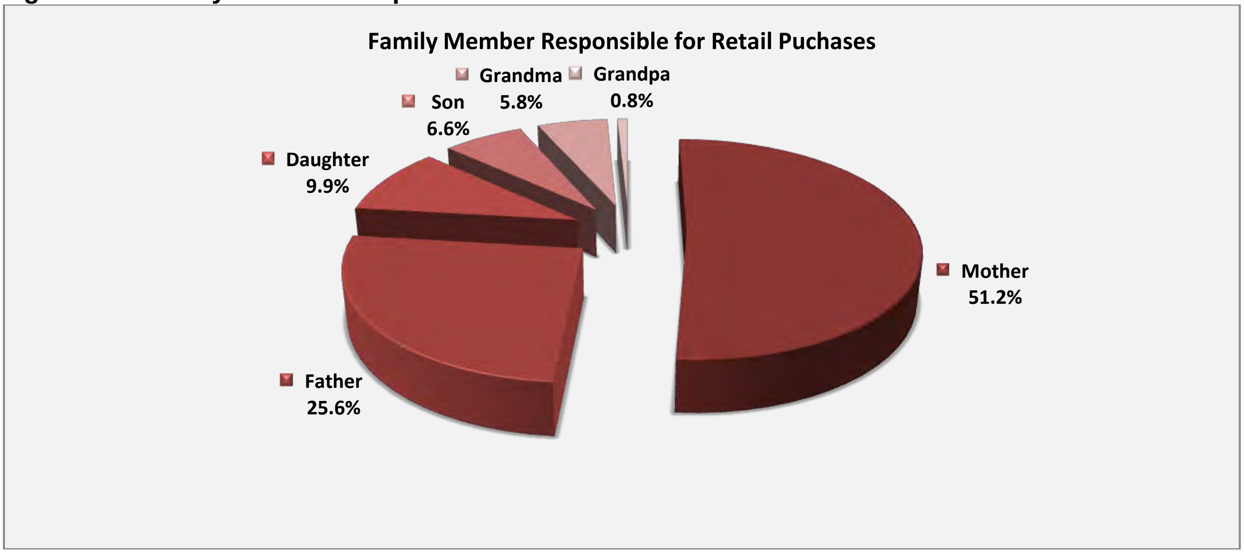
Source: Demacon Household Surveys, 2009

Figure 8.7: Age Profile of Household Members



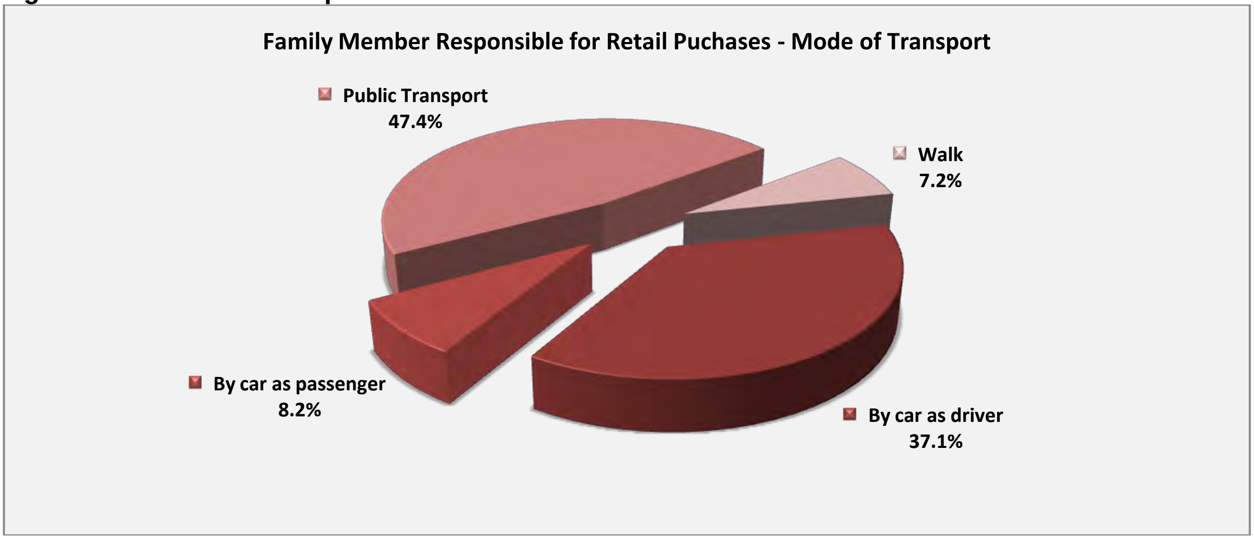
Source: Demacon Household Surveys, 2009

Figure 8.8: Family Member Responsible for Retail Purchases



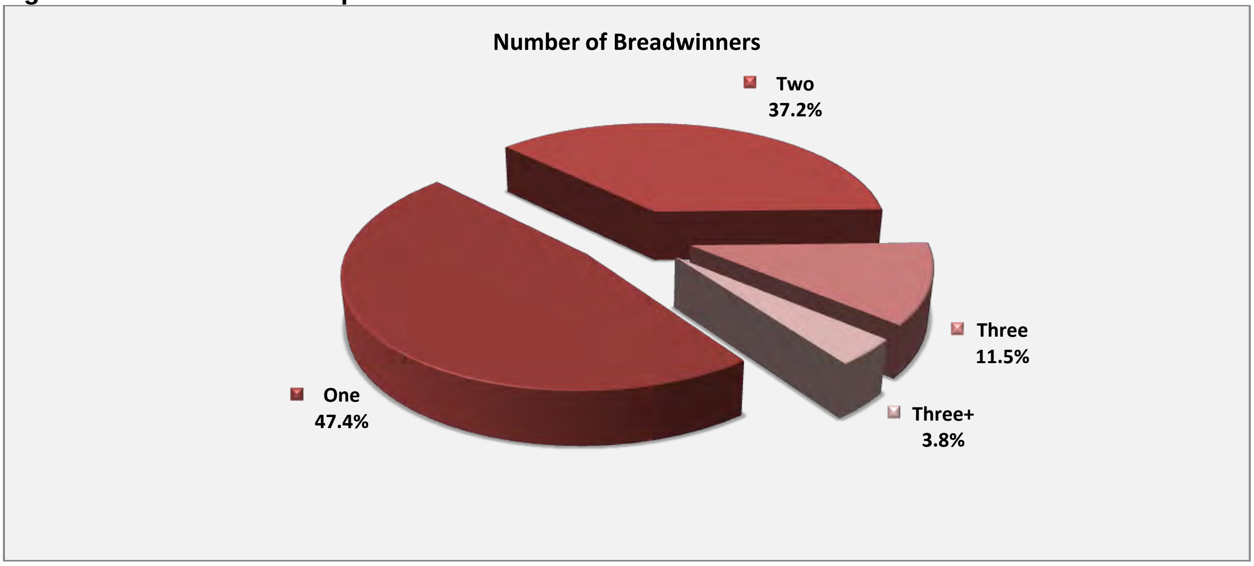
Source: Demacon Household Surveys, 2009

Figure 8.9: Mode of Transport



Source: Demacon Household Surveys, 2009

Figure 8.10: Breadwinners per Household



Source: Demacon Household Surveys, 2009

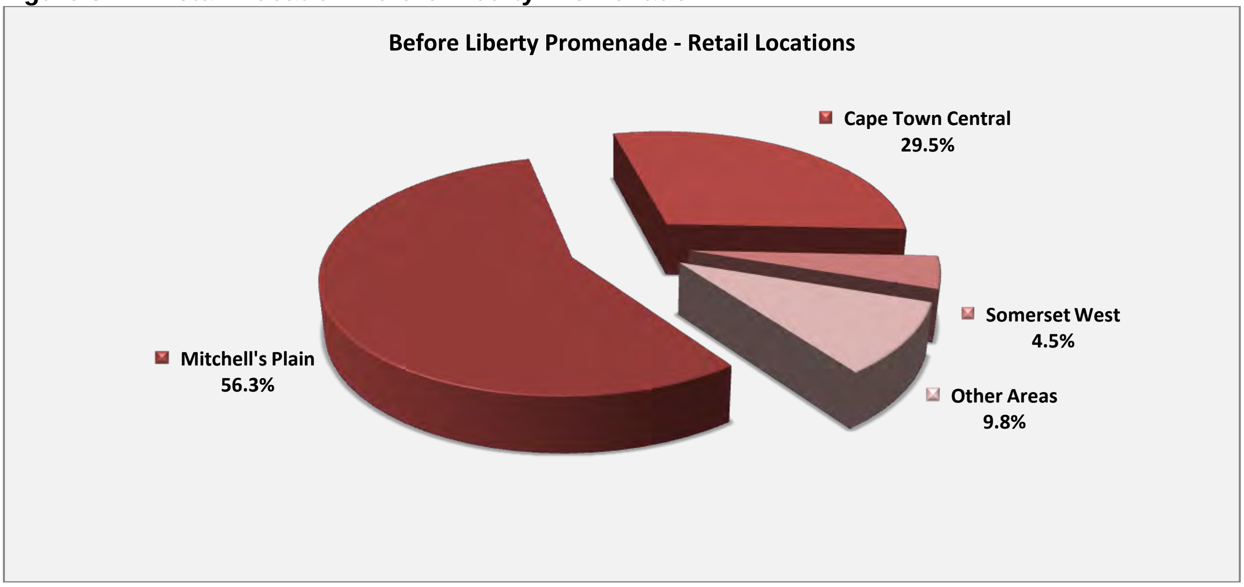
Findings: (Figures 8.9 to 8.10)

- ✓ Persons responsible for retail purchases reach their retail destinations mostly by means of public transport (47.4%), private vehicles (45.3%) or walking (7.2%).
- ✓ The majority of households are characterised by a single breadwinner (47.4%), followed by 37.2% of the households having two breadwinners and a small segment being characterised by more than two breadwinners.
- ✓ These breadwinners are mainly employed in Cape Town Central, Mitchell's Plain, Bellville, Khayelitsha, Langa, Somerset West and Athlone.

8.4.2 PAST CONSUMER BEHAVIOUR

Subsequent paragraphs address the issue of past consumer behaviour before Liberty Promenade was developed. They provide information on where consumers shopped before the mall as 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 8.11: Retail Location Before Liberty Promenade



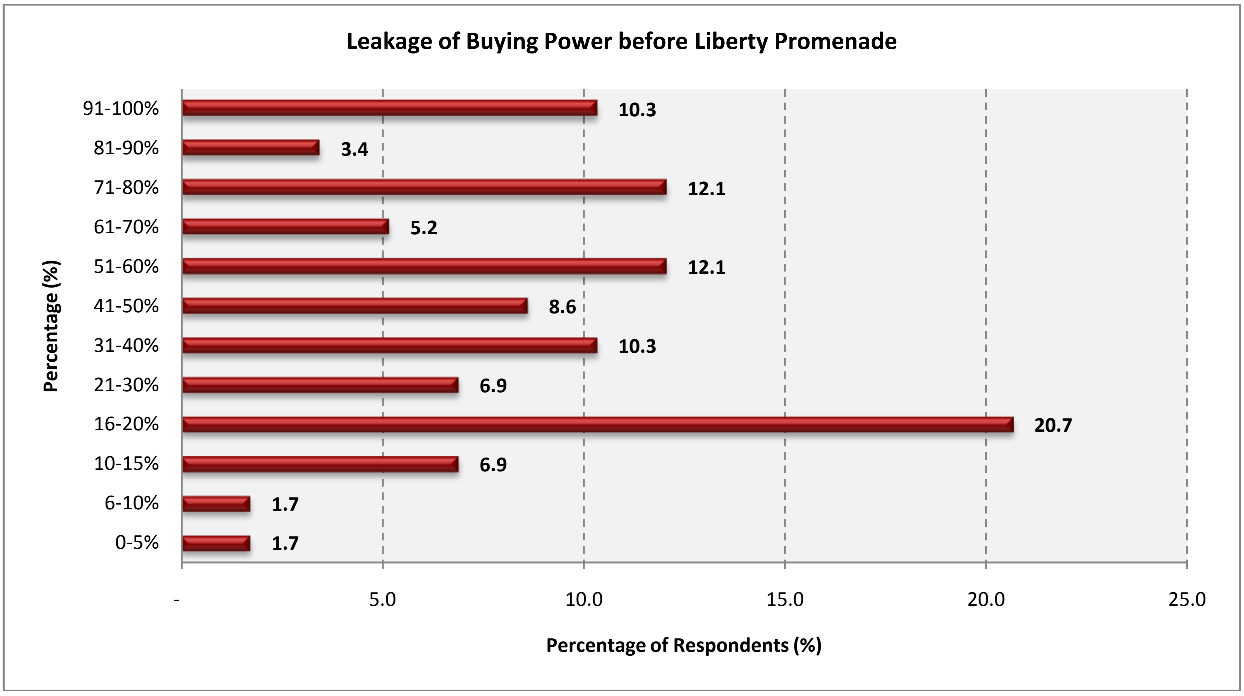
Source: Demacon Household Surveys, 2009

Findings: (Figures 8.11 to 8.12 and Table 8.5)

- ✓ Before Liberty Promenade, the majority of respondents conducted their shopping in Mitchell's Plain (56.3%), Cape Town Central (29.5%), other areas (9.8%) and Somerset West (4.5%).
- ✓ Before Liberty Promenade was developed approximately 46.1% (weighted average[75]) of shopping was conducted outside of the local area.
- ✓ In terms of the preferred retail centres the following dominant centres featured: Mitchell's Plain Town Centre, Cape Town Central, Westgate Mall, Sanlam Centre, Claremont, Site B Centre, Somerset Mall, Kenilworth Centre and Wynberg Centre.
- ✓ The dominant retail areas include Mitchell's Plain, Cape Town, Claremont, Parrow, Somerset West and Wynberg.

[75] 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 8.12: Percentage of Shopping Conducted Outside the Local Area Before Liberty Promenade



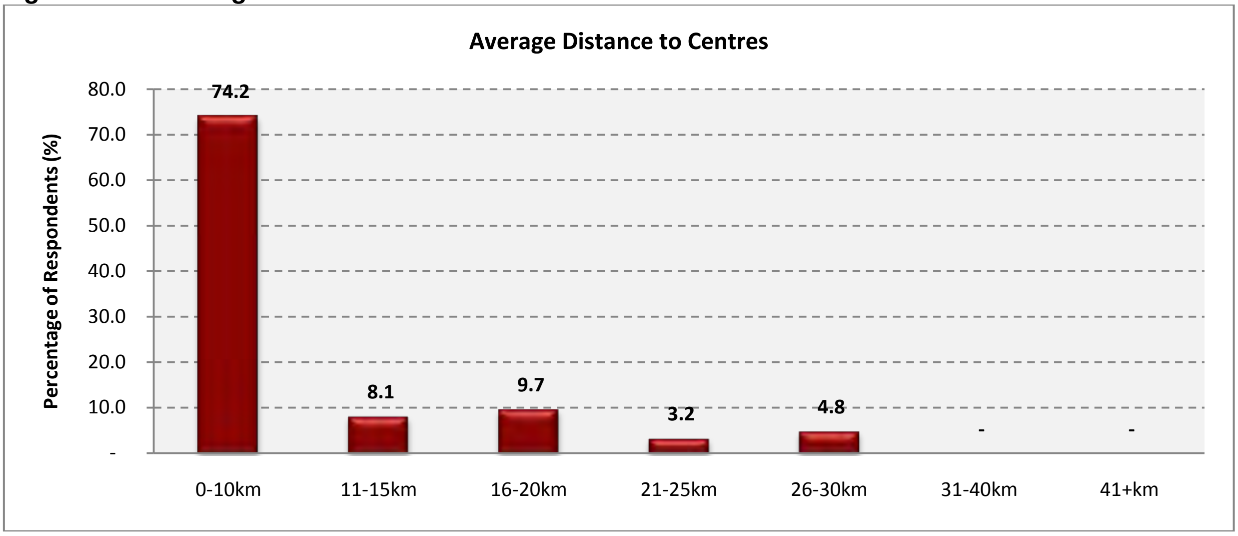
Source: Demacon Household Surveys, 2009

Table 8.5: Preferred Retail Centre Before Liberty Promenade

	Centres	Areas
Groceries	Mitchell's Plain Town Centre, Cape Town Central, Site B Centre, Westgate Mall, Sanlam Centre, Claremont	Mitchell's Plain, Cape Town, Claremont, Parrow, Somerset West
Top-up groceries	Town Centre, Sanlam Centre, Cape Town Central, Claremont, Westgate Mall	Mitchell's Plain, Cape Town, Claremont, Parrow
Clothing /shoes /accessories	Town Centre, Cape Town Central , Claremont, Sanlam Centre, Westgate Mall, Somerset Mall, Kenilworth Centre	Mitchell's Plain, Cape Town, Claremont, Parrow, Somerset West
Furniture and home ware	Mitchell's Plain Town Centre, Claremont, Cape Town Central, Westgate Mall, Sanlam Centre, Wynberg Centre	Mitchell's Plain, Claremont, Cape Town, Claremont, Wynberg
Hardware goods	Town Centre, Claremont, Cape Town Central, Westgate Mall, Century City	Mitchell's Plain, Claremont, Cape Town,
Gifts books and confectionary	Mitchell's Plain Town Centre, Claremont, Cape Town Central, Westgate Mall, Somerset West, Sanlam Centre	Mitchell's Plain, Claremont, Cape Town, Somerset West, Parrow
Specialty / value goods	Mitchell's Plain town centre, Cape Town Central, Westgate Mall, Claremont, Sanlam Centre	Mitchell's Plain, Cape Town, Claremont, Parrow
Entertainment	Mitchell's Plain town centre, Cape Town Central, Claremont, Westgate Mall, Somerset Mall	Mitchell's Plain, Cape Town, Claremont, Somerset West
Restaurants	Mitchell's Plain town centre, Cape Town Central, Claremont, Westgate Mall, Somerset Mall	Mitchell's Plain, Cape Town, Claremont, Somerset West
Personal care	Mitchell's Plain Town Centre, Westgate Mall, Claremont, Cape Town Central, Sanlam Centre	Mitchell's Plain, Cape Town, Claremont, Parrow
Services & other	Mitchell's Plain Town Centre, Westgate Mall, Claremont, Cape Town Central, Sanlam Centre	Mitchell's Plain, Cape Town, Claremont, Parrow

Source: Demacon Household Surveys, 2009
Note: Households also listed Khayelitsha and Vangate Mall, however, these centres were developed after Liberty Promenade and were excluded from the list.

Figure 8.13: Average Distance to Preferred Centre



Source: Demacon Household Surveys, 2009

Figure 8.14: Percentage of Shopping Conducted at Local Traders Before Liberty Promenade

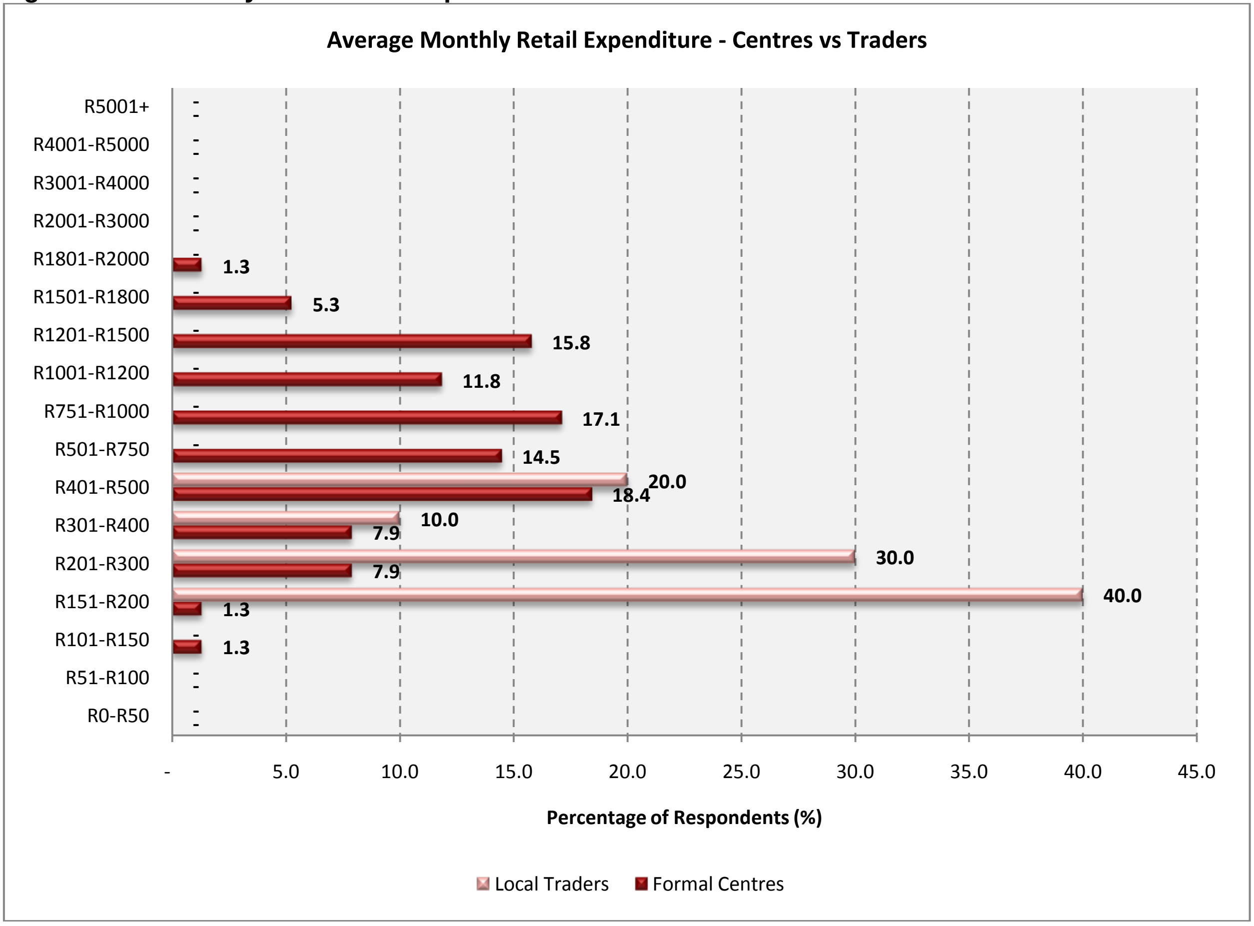
Source: Demacon Household Surveys, 2009

Findings: (Figures 8.13 to 8.15)

- ✓ Before the development of Liberty Promenade the average distance to supported retail centres was mostly less than 10km (74.2%), followed by 8.1% indicating distances of 11 to 15km, 9.7% indicating distances between 16 and 20km and 8% indicating distances of more than 20km. The average weighted distance amounted to **8.6km.**
- ✓ Most respondents (54.2%) conducted between 6% and 15% of their shopping at local traders, with a segment indicating that they carried out between 16% and 30% of their shopping at local traders (12.9%) and 28.5% indicating that they spent between 31% and 50% of shopping at local traders. The average weighted percentage conducted at local traders amounted to **20.3%.**
- ✓ The majority of households spent between R400 and R1 000 a month at formal retail centres (50.0%), 34.2% of households spent more than R1 000 a month and 18.4% of households spent less than R400 a month. Average monthly household expenditure at formal retail centres amounted to **R906.40.**
- ✓ The majority of households spent between R150 and R200 a month at local traders (40.0%), 30%% spent between R200 and R300 a month and 30% spent between R300 and

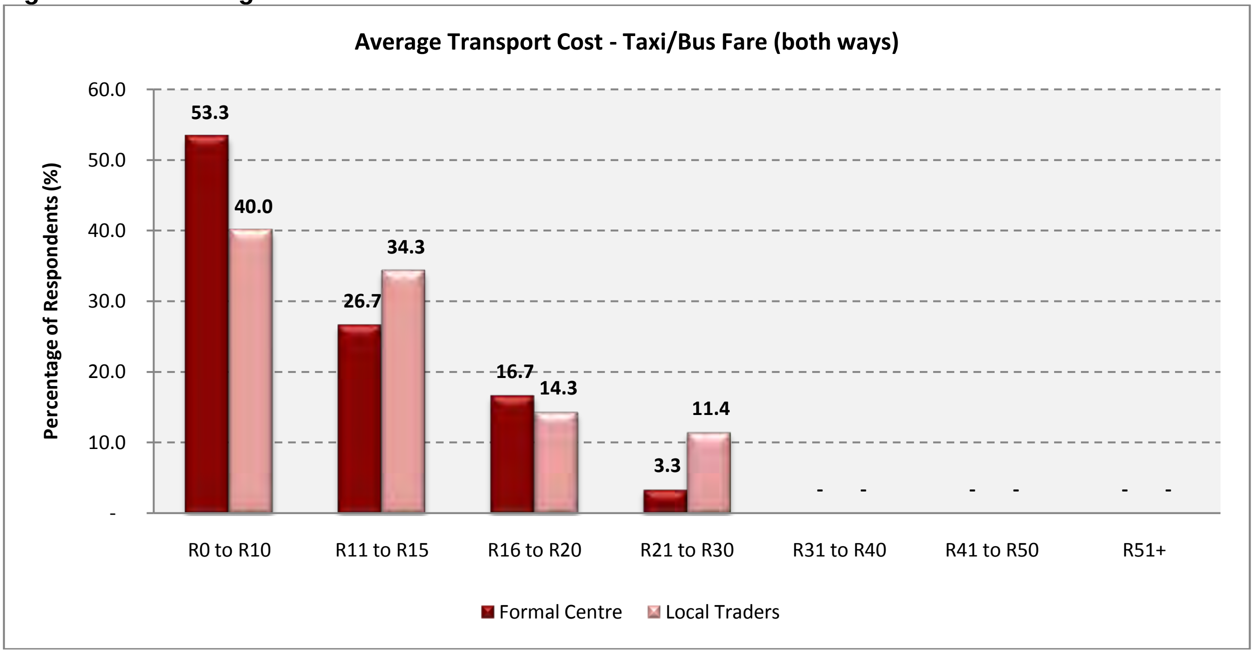
R500 a month at local traders. The average monthly household expenditure at local traders amounted to **R270.5.**

Figure 8.15: Monthly Household Expenditure at Retail Centres and Local Traders



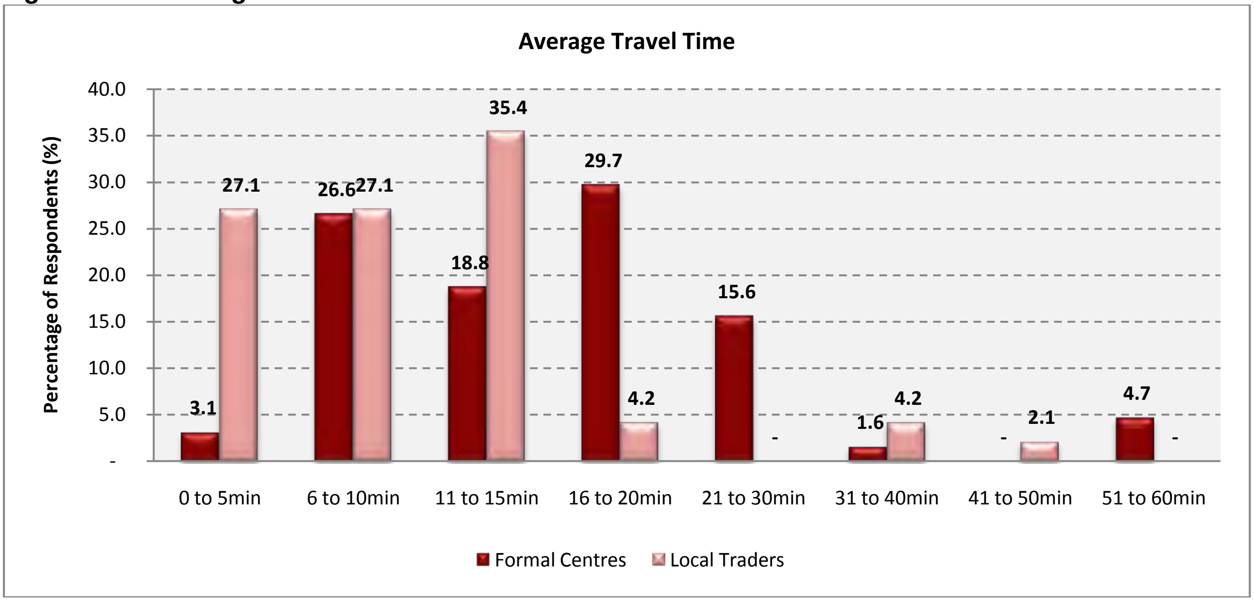
Source: Demacon Household Surveys, 2009

Figure 8.16: Average Bus/Taxi Fare



Source: Demacon Household Surveys, 2009

Figure 8.17: Average Travel Time



Source: Demacon Household Surveys, 2009

Findings: (Figures 8.16 to 8.17)

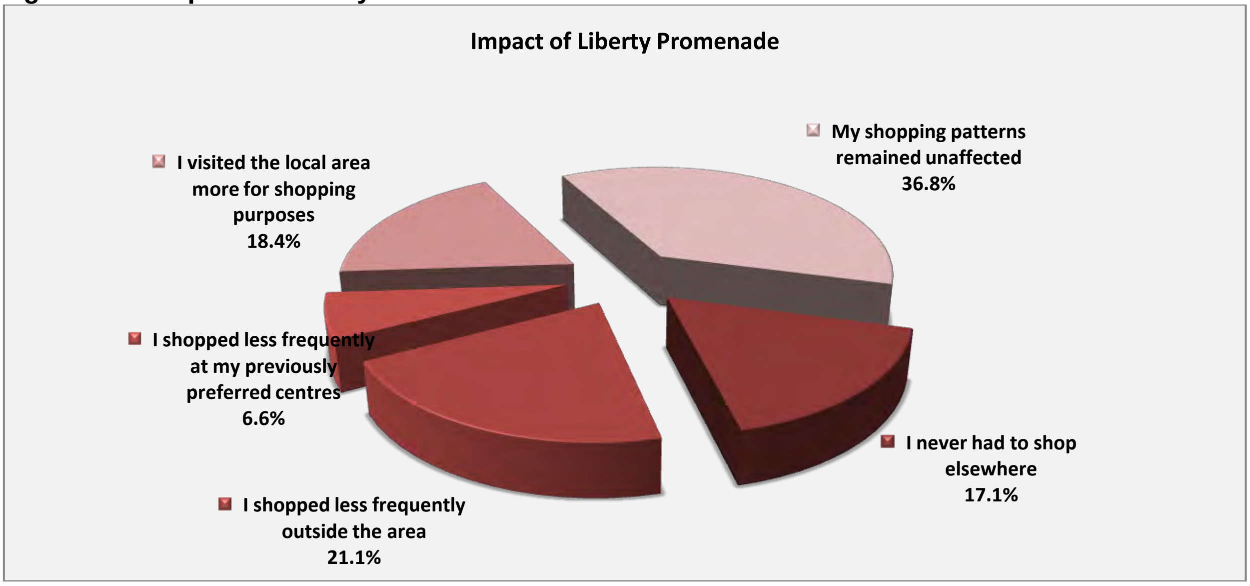
- ✓ The majority of households indicated that they spent up to R10 for taxi/bus fares to the formal retail centres – 53.3%. This is followed by a medium sized segment indicating transport fares of between R11 and R15 – 26.7%, and between R16 and R20 -16.7%. A small segment indicated transport fares exceeding R20 – 3.3%. The average weighted transport fare to formal retail centres amounted to **R10.0.**
- ✓ Similar trends were observed with reference to travel fares to local traders. Interestingly,the larger segment of respondents indicated higher transport costs to local traders. The average weighted transport fare to local traders amounted to **R11.90.**
- ✓ In terms of the average travel time it is evident that the majority of respondents indicated a travel time of between 16 and 20 minutes to formal retail centres – 29.7%, a large segment indicated shorter travel times between six and 15 minutes (45.4%) and a smaller segment indicated longer travel times, exceeding 20 minutes (21.9%). The weighted average travel time to formal retail centres amounted to **17.1 minutes**[76].
- ✓ The majority of respondents indicated that they travel between 11 and 15 minutes to local traders (35.4%), this is followed by 27.1% of respondents indicating travel times between six and 10 minutes and 27.1% indicating travel times of less than five minutes. 10.5% of respondents indicated longer travel times exceeding 16 minutes. The weighted average travel time to local traders amounted to **10.6 minutes**.

8.4.3 CURRENT CONSUMER BEHAVIOUR

Subsequent paragraphs examine current consumer behaviour trends after the development of Liberty Promenade. They focuses 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 Liberty Promenade, 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.

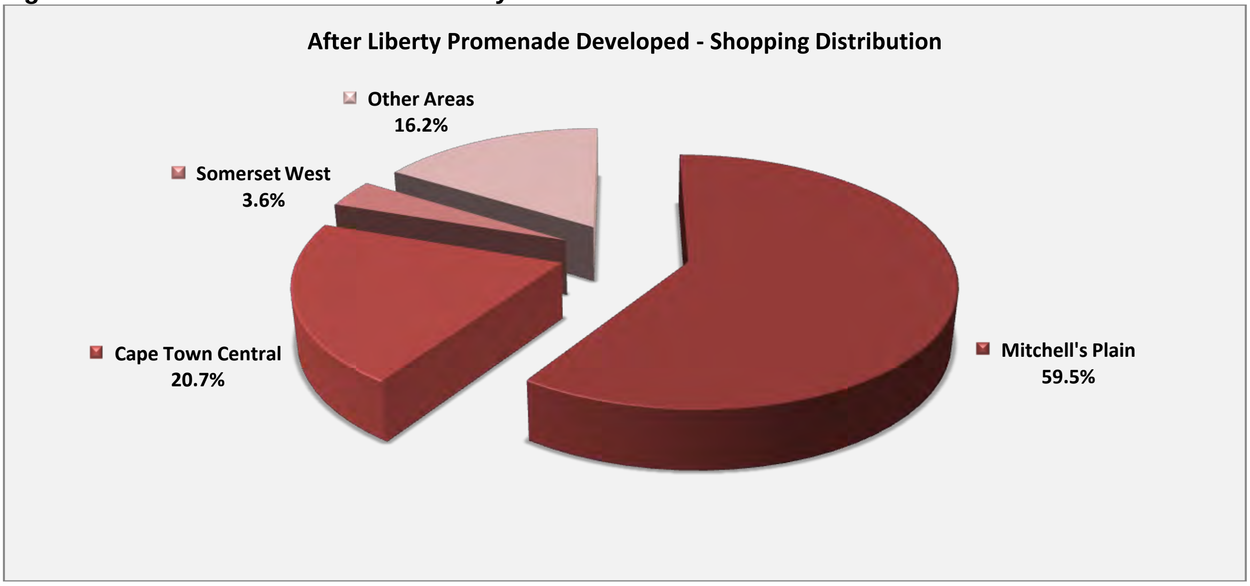
[76] Note: Weighted Average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.

Figure 8.18: Impact of Liberty Promenade on Consumer Behaviour



Source: Demacon Household Surveys, 2009

Figure 8.19: Retail Location after Liberty Promenade

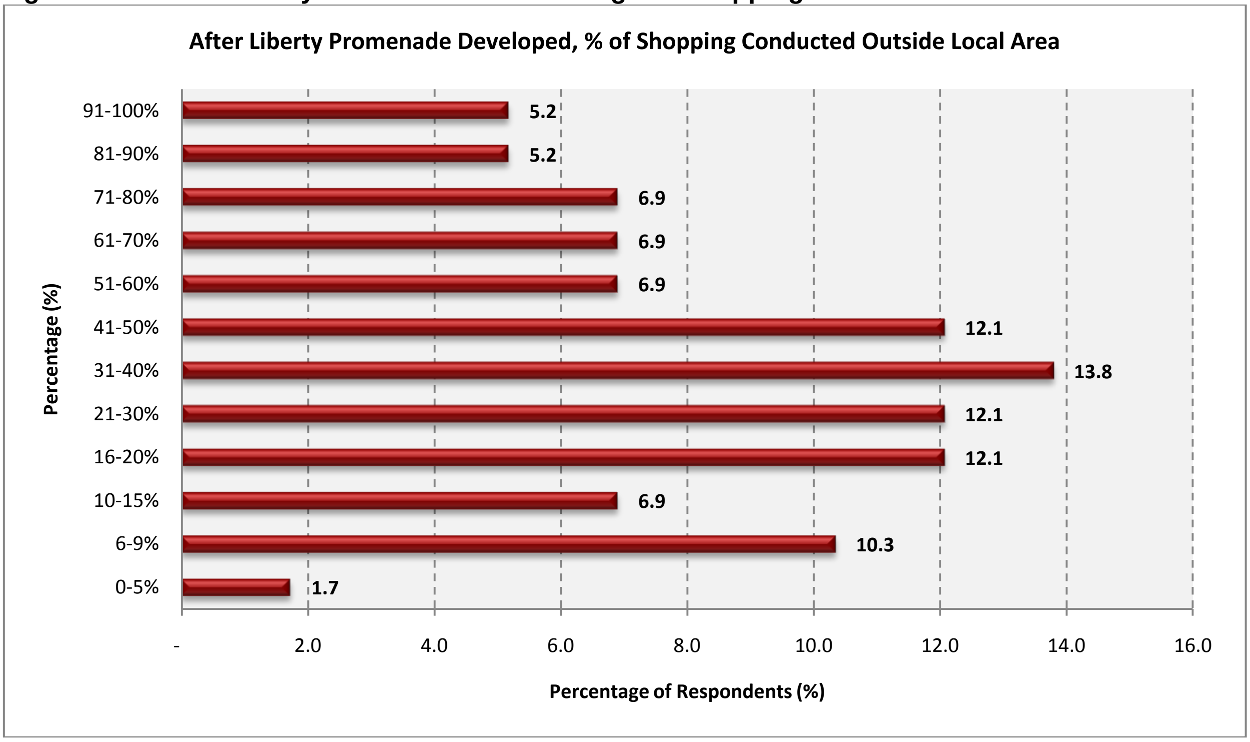


Source: Demacon Household Surveys, 2009

Findings: (Figures 8.18 to 8.20)

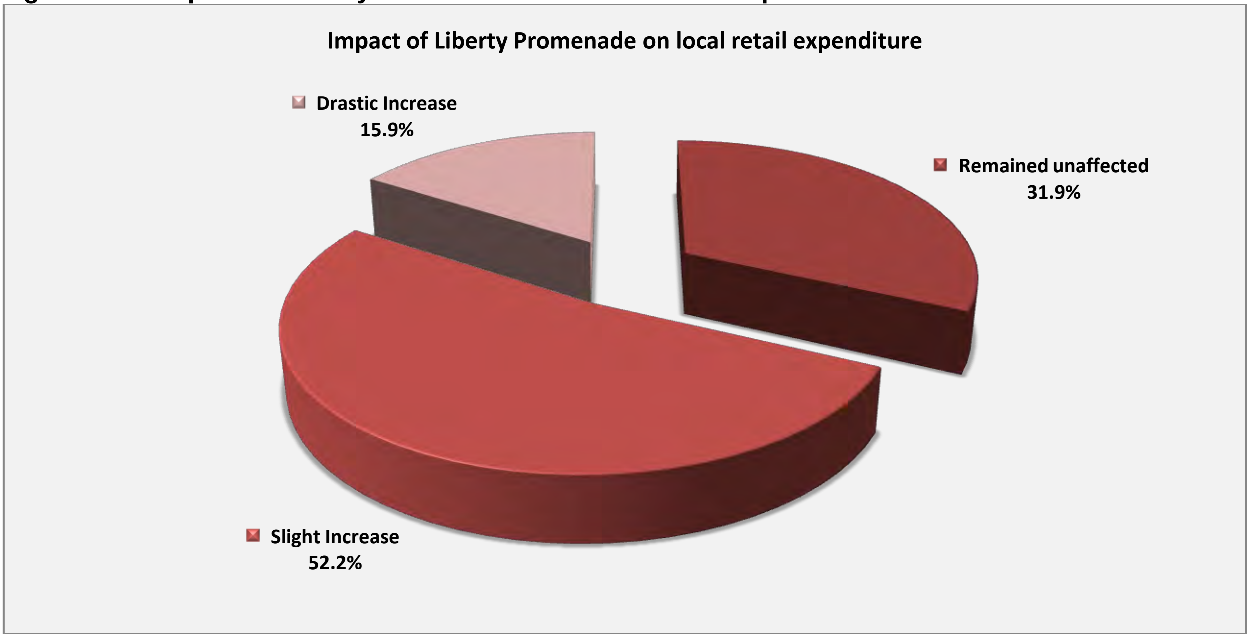
- ✓ The development of Liberty Promenade had a positive impact on consumer behaviour – 21.1% indicated that they now shop less frequently outside the area, 18.4% indicated that they visit the area more for shopping purposes, 17.1% indicated that they never had to shop elsewhere and 6.6% indicated that they shop less frequently at their previously preferred centres. A large segment of 36.8% of respondents however indicated that their shopping patterns had remained unaffected. This reflects moderate levels of consumer elasticity in the market.
- ✓ The development of Liberty Promenade also had a positive impact on respondents' shopping locations – 59.5% of shopping is now conducted in Mitchell's Plain, 20.7% in Cape Town Central, 16.2% in other areas (Khayelitsha) and 3.6% in Somerset West.
- ✓ Since the development of Liberty Promenade, the percentage of shopping conducted outside of the local area declined to a weighted average of **40.2%.**

Figure 8.20: After Liberty Promenade – Percentage of Shopping Outside Local Area



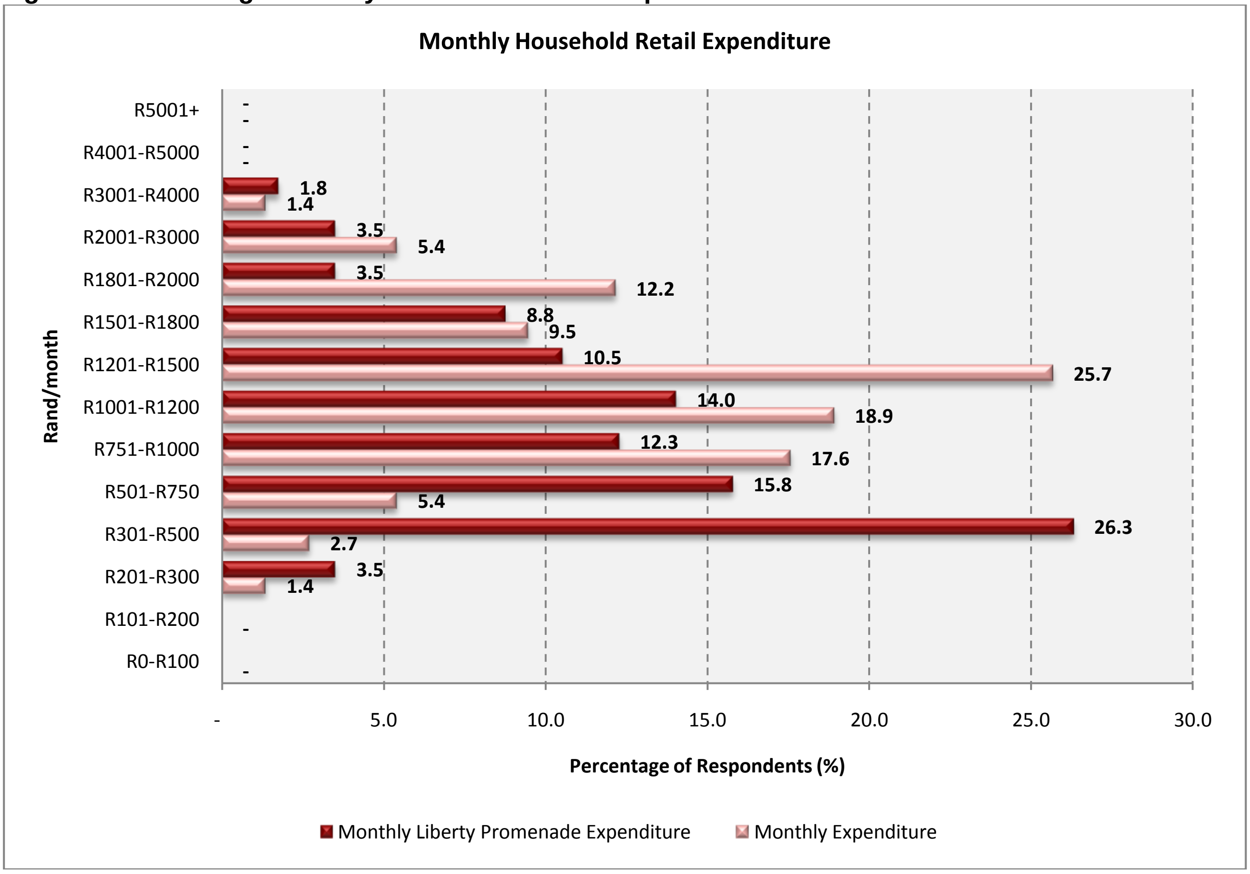
Source: Demacon Household Surveys, 2009

Figure 8.21: Impact of Liberty Promenade on Local Retail Expenditure



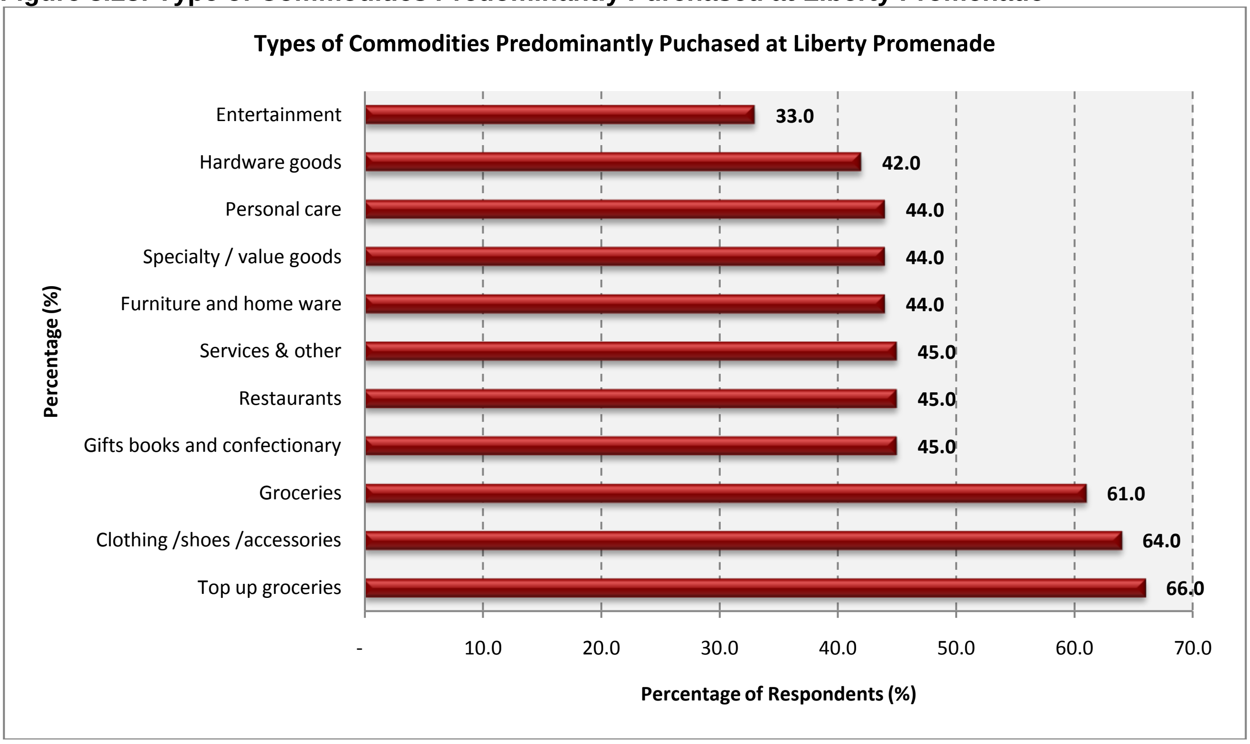
Source: Demacon Household Surveys, 2009

Figure 8.22: Average Monthly Household Retail Expenditure



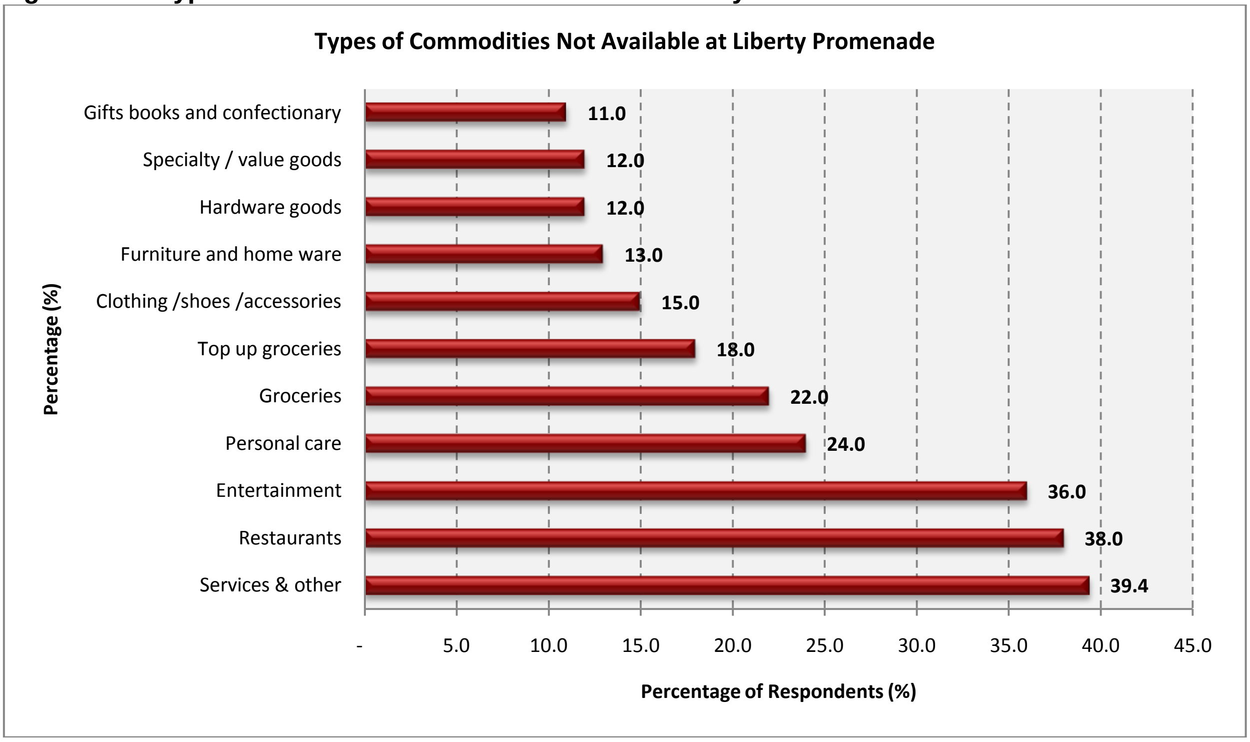
Source: Demacon Household Surveys, 2009

Figure 8.23: Type of Commodities Predominantly Purchased at Liberty Promenade



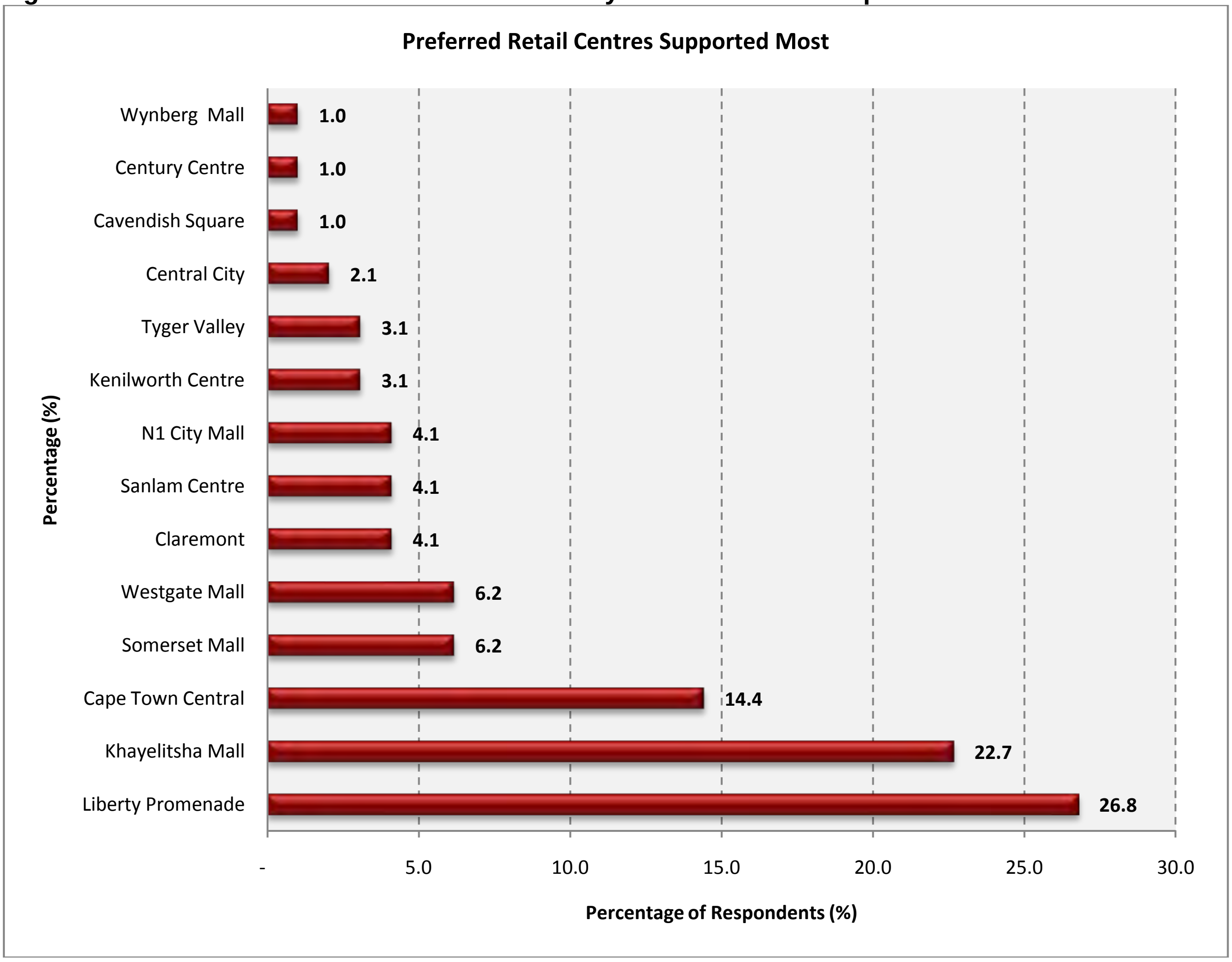
Source: Demacon Household Surveys, 2009

Figure 8.24: Types of Commodities Not Available at Liberty Promenade



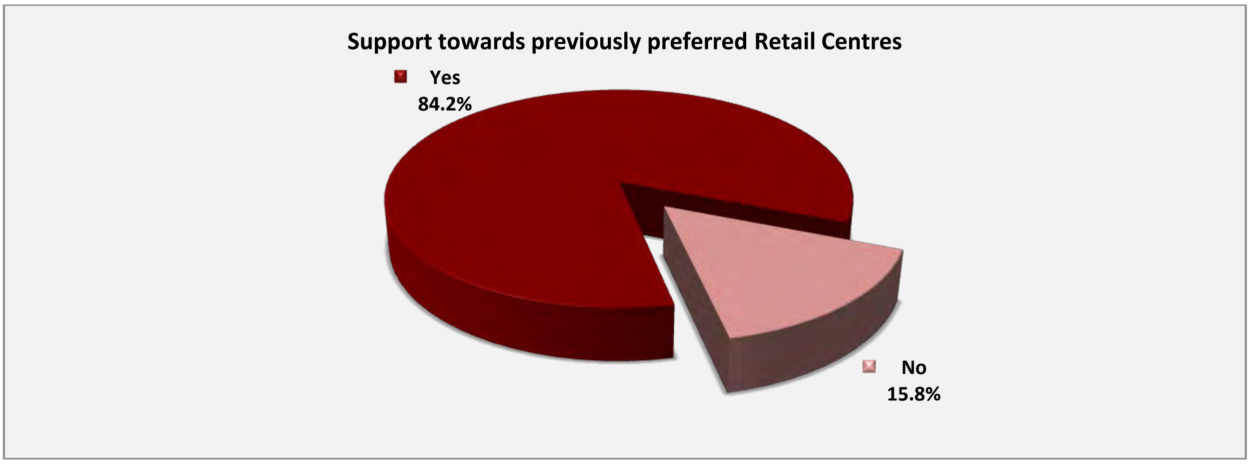
Source: Demacon Household Surveys, 2009

Figure 8.25: Preferred Retail Centres After Liberty Promenade Development



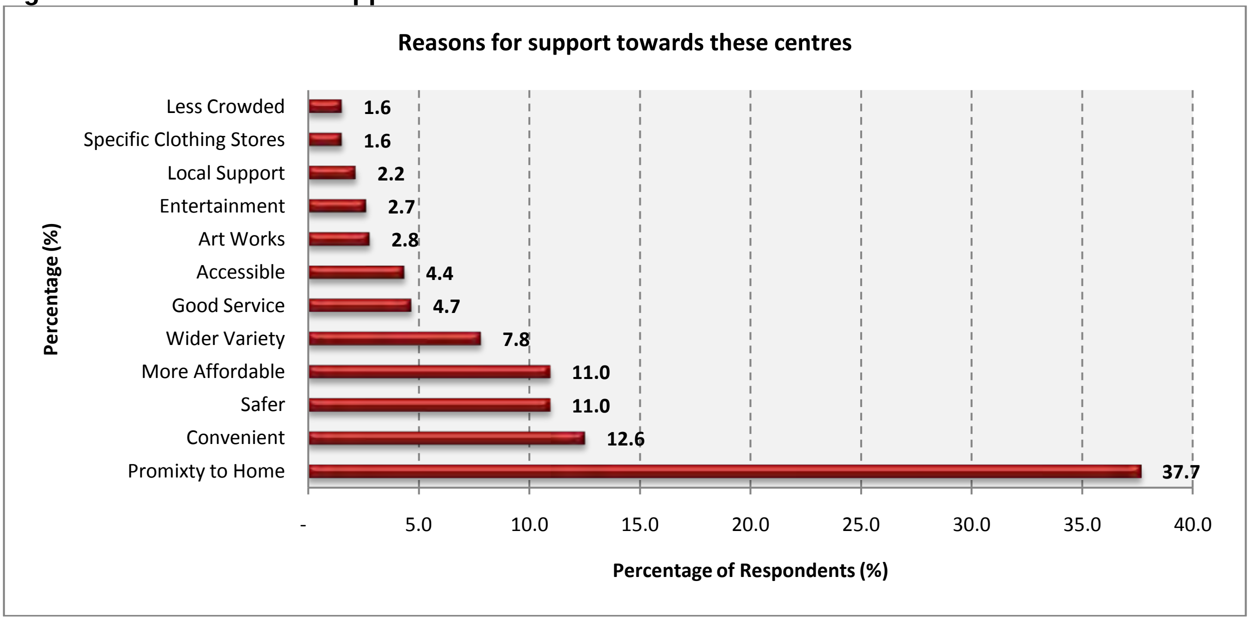
Source: Demacon Household Surveys, 2009

Figure 8.26: Since Development of Liberty Promenade - Support for Previously Preferred Retail Centres



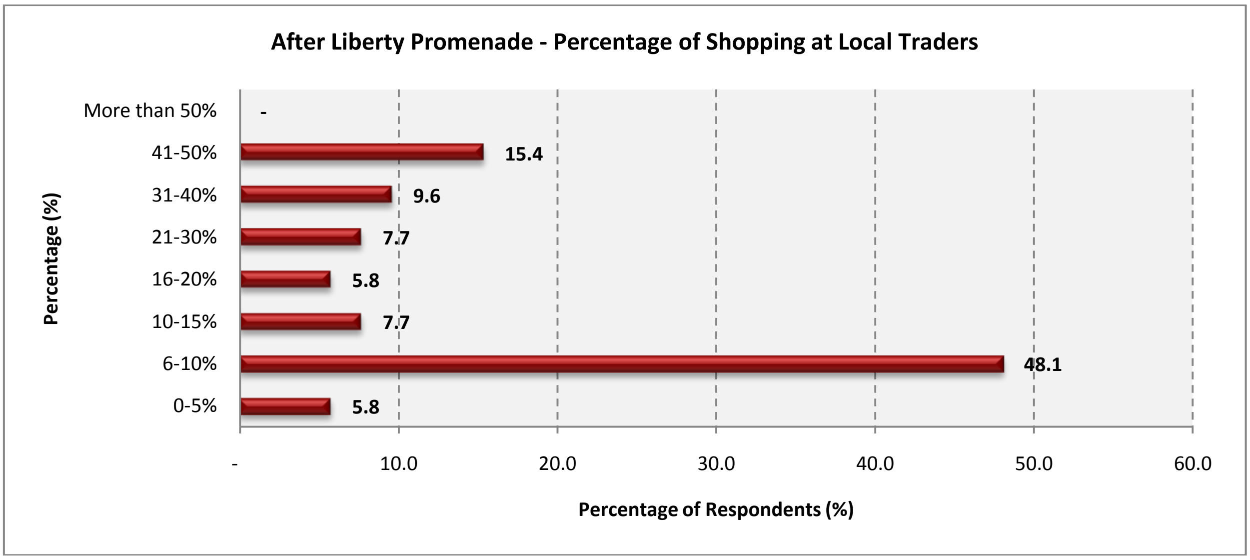
Source: Demacon Household Surveys, 2009

Figure 8.27: Reasons for Support Towards These Centres



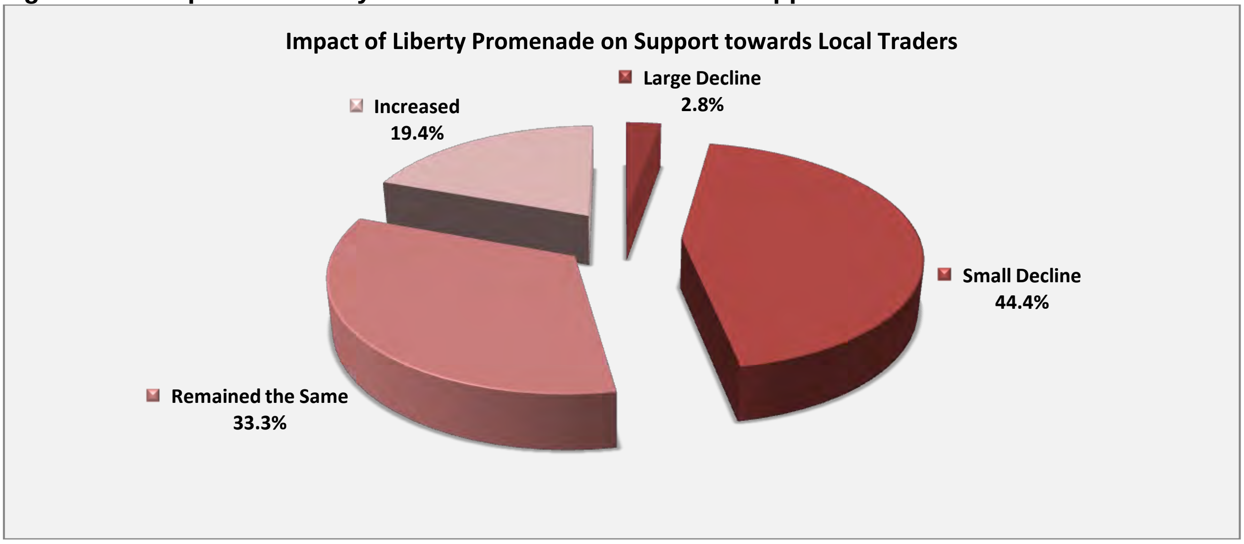
Source: Demacon Household Surveys, 2009

Figure 8.28: After Liberty Promenade, What Percentage of Shopping is Conducted at Local Traders



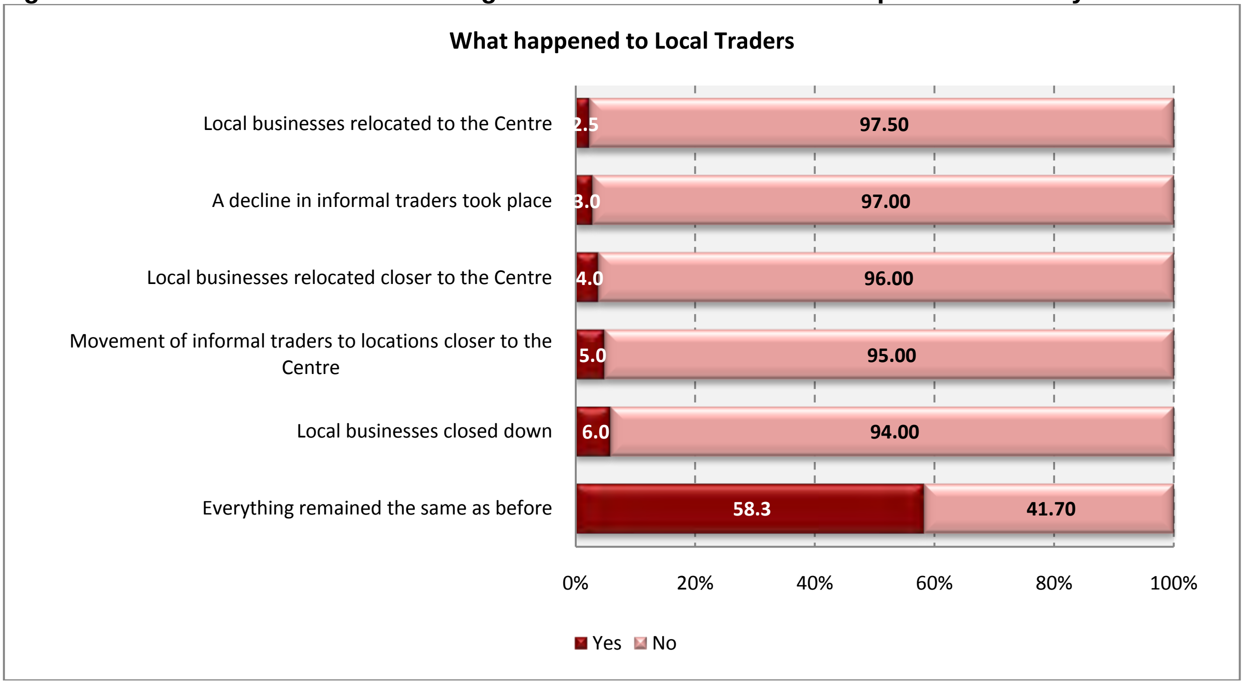
Source: Demacon Household Surveys, 2009

Figure 8.29: Impact of Liberty Promenade on Local Trader Support



Source: Demacon Household Surveys, 2009

Figure 8.30: General Trends Pertaining to Local Traders After Development of Liberty Promenade



Source: Demacon Household Surveys, 2009

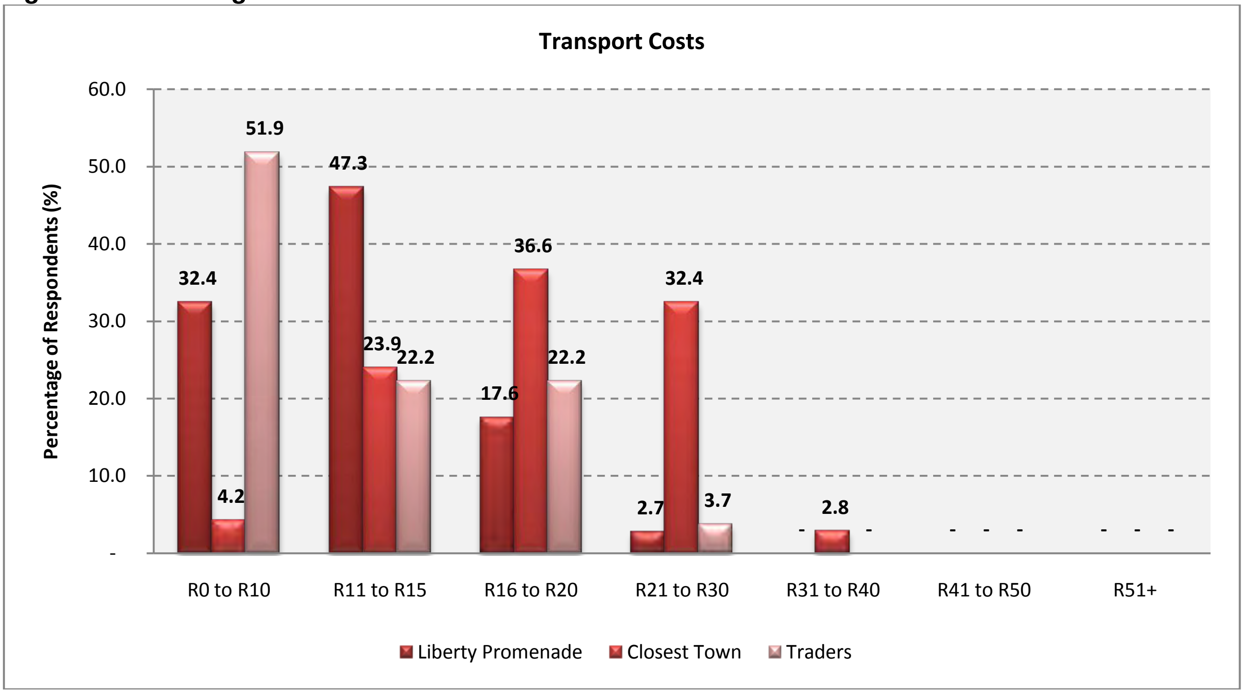
Findings: (Figures 8.20 to 8.31)

- ✓ The development of Liberty Promenadehad a slight impact on local retail expenditure (52.2%).
- ✓ A large segment of respondents however, indicated that the development of the mall had no real impact on their local retail expenditure (31.9%), whereas a small segment (15.9%) indicated that it had a drastic positive impact on local retail expenditure.
- ✓ The largest segment of households indicated that they spend between R751 and R1 500 on monthly shopping – 62.2%, this is followed by 28.4% indicating amounts between R1 500 and R4 000 a month and only 9.5% reflecting amounts below R751. The average weighted amount spent on shopping is **R1 321.78**.
- ✓ The majority of respondents also indicated that they spend between R300 and R1 200 per month at Liberty Promenade – 68.4%, supported by 17.5% indicating expenditures of

R1 200 to R4 000 at Liberty Promenade and a mere 3.5% indicating amounts below R300 per month. The average weighted monthly amount spent at Liberty Promenade is **R973.30**

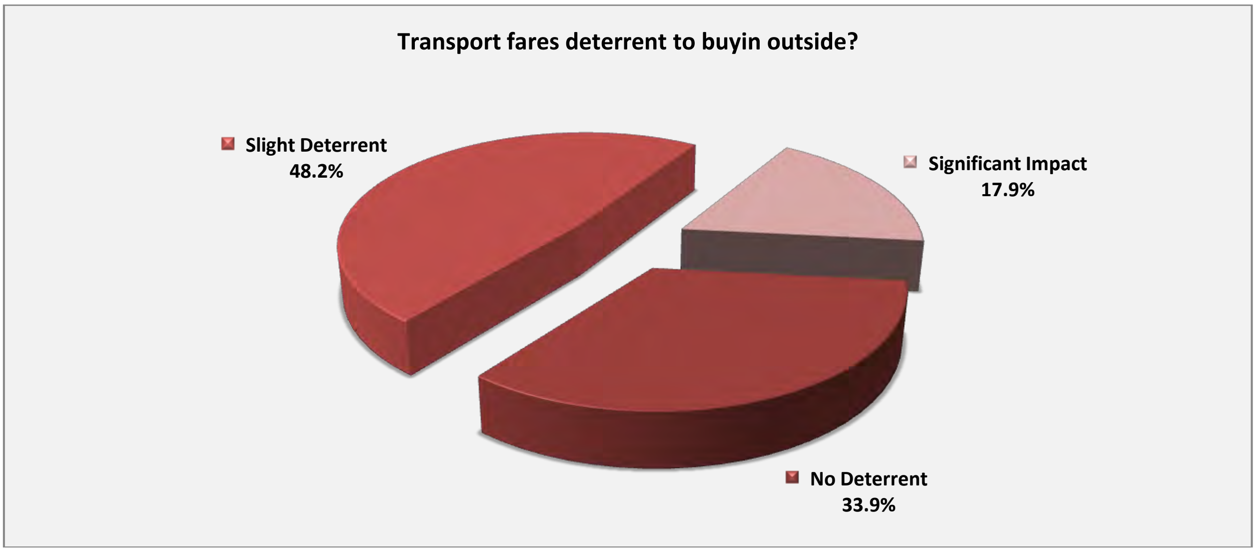
- ✓ In terms of the types of commodities it is largely purchased at Liberty Promenade, the following categories prevail – top-up groceries, clothing and shoes, monthly groceries, gifts, books and confectionary, restaurants and services.
- ✓ In terms of the type of commodities not available at Liberty Promenade the following categories prevail: services, restaurants, entertainment and to a lesser extent personal care and groceries.
- ✓ Respondents also indicated their preferred retail centres after the development of Liberty Promenade – Liberty Promenade (26.8%), Khayelitsha Mall (22.7%), Cape Town Central (14.4%), Somerset Mall (6.2%), Westgate Mall (6.2%) and to a lesser extent Claremont, Sanlam Centre, N1 City Mall, Kenilworth Centre, Tygervalley Mall, Central City, Cavendish Square and Wynberg Mall.
- ✓ 84.2% of respondents indicated that they still support their previously preferred retail centres after the development of Liberty Promenade.
- ✓ The dominant reasons for respondents' continued support for previously preferred retail centres are: proximity to their homes, convenience, safety, more affordability, a greater variety of shops, good service, better accessibility, more entertainment, the desire to visit specific shops and the fact that the centre in question is less crowded than Liberty Promenade.
- ✓ Since the development of Liberty Promenade, the majority of respondents conduct between 6% and 10% of shopping at local traders – 48.1%, 5.8% conduct less than 6% of shopping at local traders and 38.5% conduct more than 10% of shopping at local traders. The weighted average support for local traders amounts to **18.4%.**
- ✓ Overall, the development of Liberty Promenade has resulted in a slight decline in support for local traders **(44.4%),** followed by **33.3%** of respondents indicating that support remained the same, 19.4% indicated an increase in support and 2.8% indicated a large decline.
- ✓ In terms of changes to the local trader environment the following were found:
  - The majority indicated that everything remained the same – 58.3%;
  - 6.0% indicated a closure of local businesses;
  - 5.0% indicated a movement of informal traders to locations closer to the mall;
  - 4.0% indicated a movement of local businesses closer to the mall;
  - 3.0% indicated a decline in informal traders;
  - 2.5% indicated a movement of local businesses to the mall.
- ✓ In terms of the travel fares to Liberty Promenade it is evident that the majority of respondents pay between R11 and R15 for a round trip – 47.3%, followed by 32.4% of respondents indicating that they pay less than R10 for a round trip. The average weighted travel fare for a round trip to Liberty Promenade is **R11.60.**
  It is important to note that the development of Liberty Promenade had a slightly negative impact on the cost of transport to formal retail centres. Before Liberty Promenade 20.0% of respondents paid more than R15 taxi / bus fares to reach a formal retail centre. After the development of Liberty Promenade this percentage increased to 23.1%.
- ✓ 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 – 36.6%, followed by 35.2% indicating that they pay between R16 and R40 and 27.1% indicated that they spend less than R16 for a round trip. The average weighted fares for a round trip to the closest town amount to **R19.2.**
- ✓ In terms of travel fares to local traders; the majority of respondents indicated that they pay less than R10 for a round trip – 51.9%, followed by 44.4% indicating that they pay between R11 and R20 and 3.7% indicating costs of between R21 and R30. The average weighted travel fares to local traders amount to **R10.4.**

Figure 8.31: Average Taxi/Bus Fares



Source: Demacon Household Surveys, 2009

Figure 8.32: To What Extent Do Higher Transport Fares Deter you from Buying Outside the Local Area?



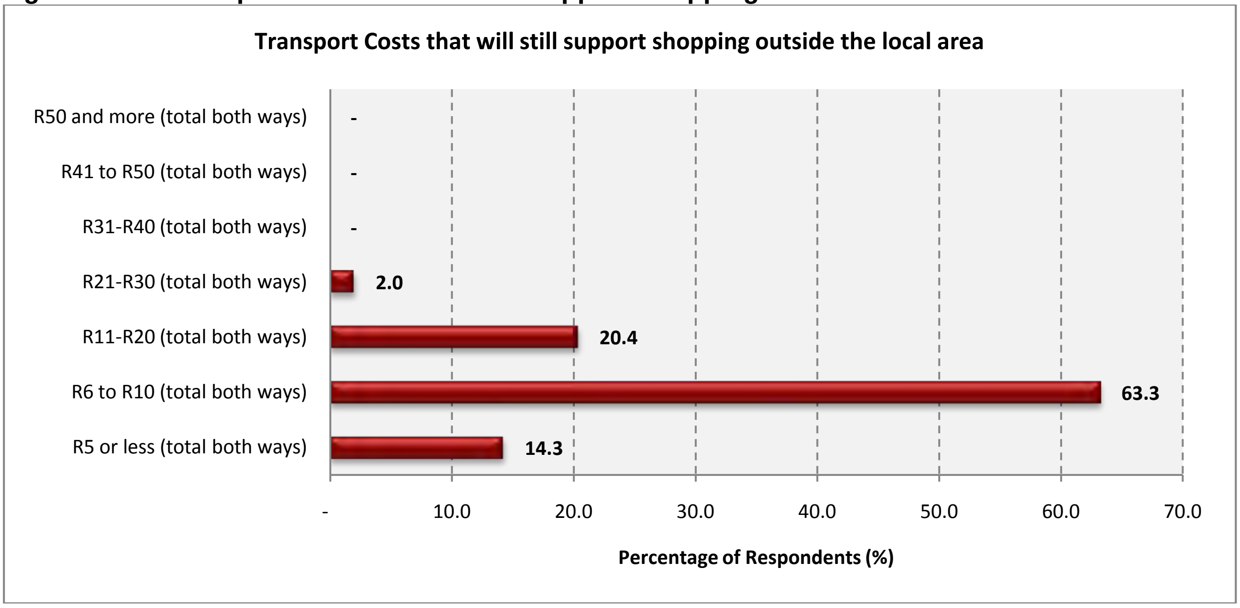
Source: Demacon Household Surveys, 2009

Findings: (Figures 8.32 and 8.33)

- ✓ The majority of respondents indicated that transport fares represent a slight deterrent to their shopping outside of the area – **48.2%.** A segment of 33.9% indicated that they do not represent a deterrent at all and a smaller segment of 17.9% indicated that they represent a significant deterrent.
- ✓ The majority of respondents indicated that for transport fares of less than R10 for a round trip they would support shopping outside the area – 77.6%. This is followed by 20.4% of respondents indicating an amount between R11 and R20 and 2.0% indicating amounts between R21 and R30. The average weighted transport fares promoting shopping outside the area amount to **R9.10** for a round trip.

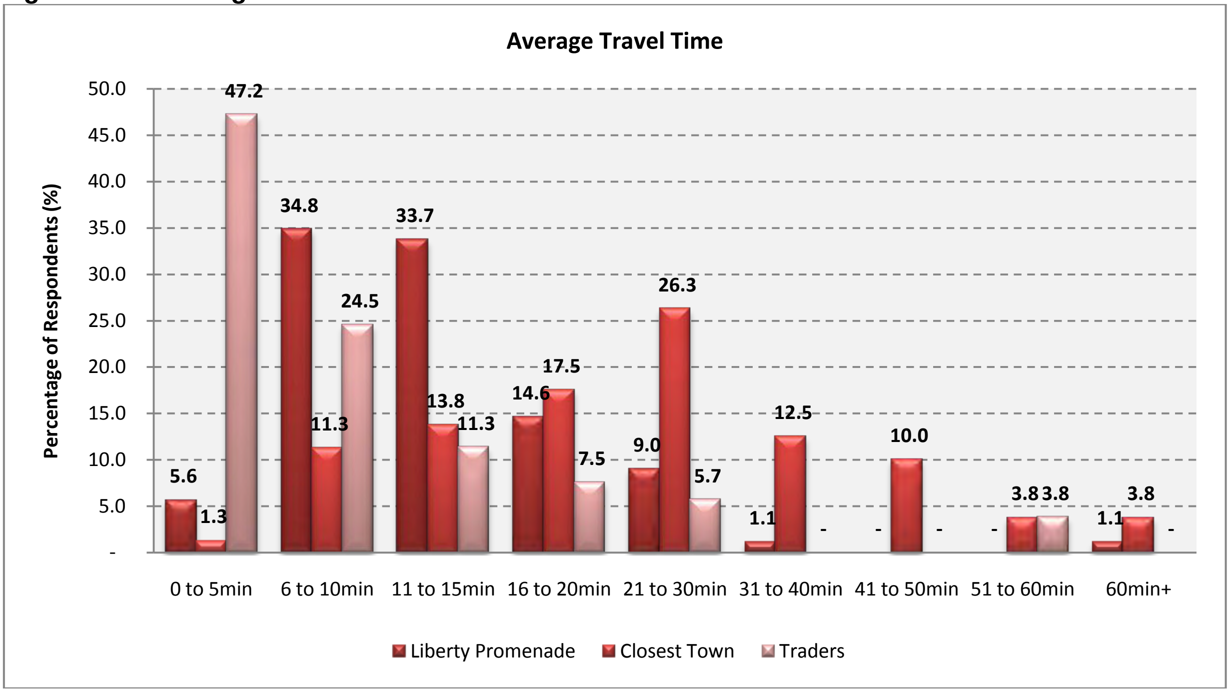
Overall, it is evident that transport fares in themselves do not represent a dominant determining factor as to whether people will conduct retail expenditure outside of the local area. Increased transport costs of 10% will not necessarily result in a 10% increase in local retail expenditure. In general, 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 thatlocal product offering and critical mass are more important.

Figure 8.33: Transport Fares That Would Support Shopping Outside the Area



Source: Demacon Household Surveys, 2009

Figure 8.34: Average Travel Time



Source: Demacon Household Surveys, 2009

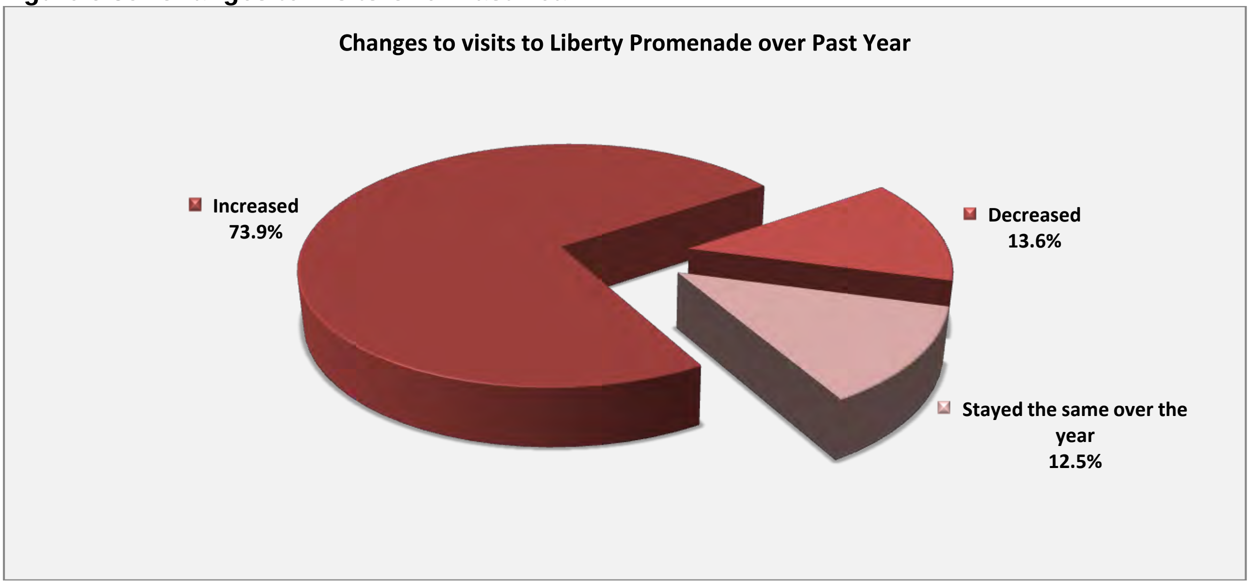
Findings: (Figure 8.34)

- ✓ The average travel time to Liberty Promenade – the largest segment of respondents indicated travel times of between six and 10 minutes – 34.8%, followed by 11 to 15 minutes (33.7%), 16 to 20 minutes (14.6%) and 21 to 30 minutes (9.0%). The average weighted travel time to Liberty Promenade amount to **12.6 minutes**.
It is important to note that the development of Liberty Promenade had a positive impact on travel times to formal retail centres. Before the development of Liberty Promenade, 48.5% of respondents travelled for fewer than 15 minutes to reach a formal retail centre. After the development of Liberty Promenade this percentage increased to a total of 74.1%.
- ✓ The majority of respondents indicated average travel times of 21 to 30 minutes to the closest town – 26.3%, this is followed by 17.5% indicating travel times between 16 and 20 minutes, 13.8% between 11 and 15 minutes, 12.6% below 10 minutes. A relatively large segment of 30.1% indicated travel times exceeding 30 minutes. The average weighted travel time to reach the closest town amount to **24.0 minutes.**
- ✓ The majority of respondents indicate average travel times below five minutes to reach local traders – 47.2%, this is followed by 24.5% indicating travel times of between six and 10 minutes, 18.8% indicating travel times between 11 and 20 minutes. The average weighted travel time amounts to **9.9 minutes**.

8.4.4 FREQUENCY OF VISITS AND DWELL TIME

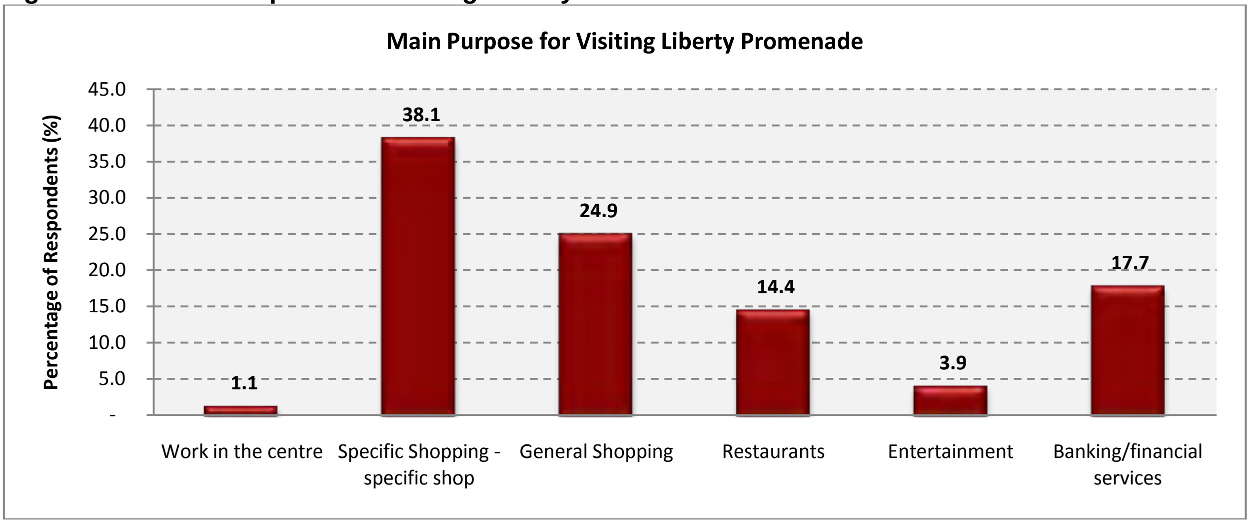
Subsequent paragraphs provide information on the changes in visits to Liberty Promenade over the past year, the main purpose of visits to Liberty Promenade, the time preferred to conduct shopping and entertainment and average dwell time on a typical visit.

Figure 8.35: Changes to Visits Over Past Year



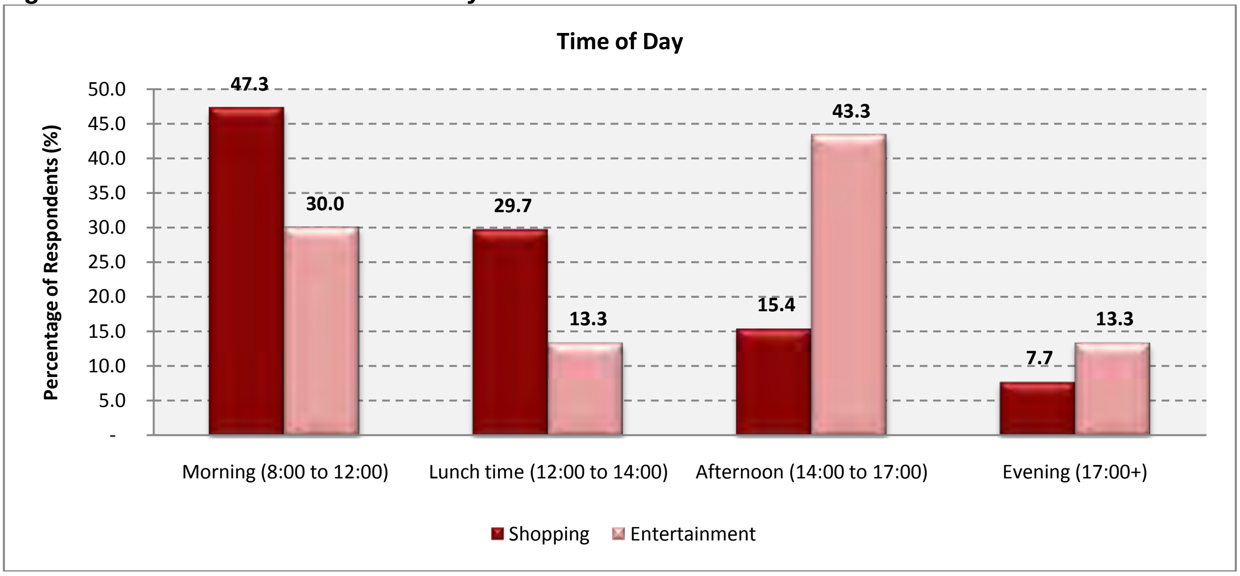
Source: Demacon Household Surveys, 2009

Figure 8.36: Main Purpose for Visiting Liberty Promenade



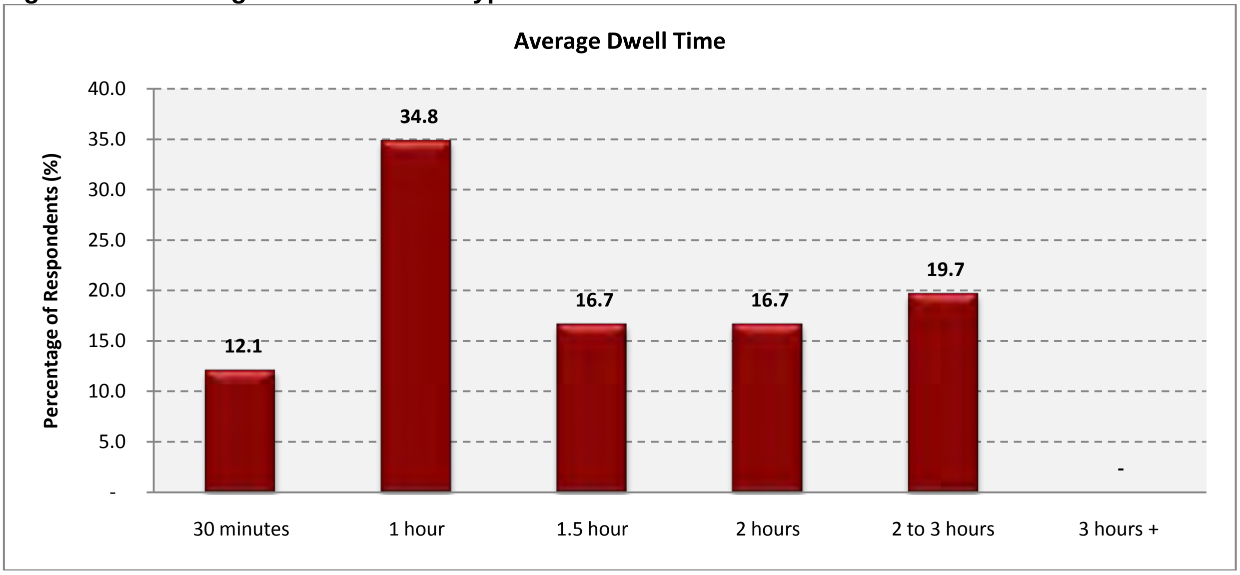
Source: Demacon Household Surveys, 2009

Figure 8.37: Preferred Time of the Day



Source: Demacon Household Surveys, 2009

Figure 8.38: Average Dwell Time on Typical Visit



Source: Demacon Household Surveys, 2009

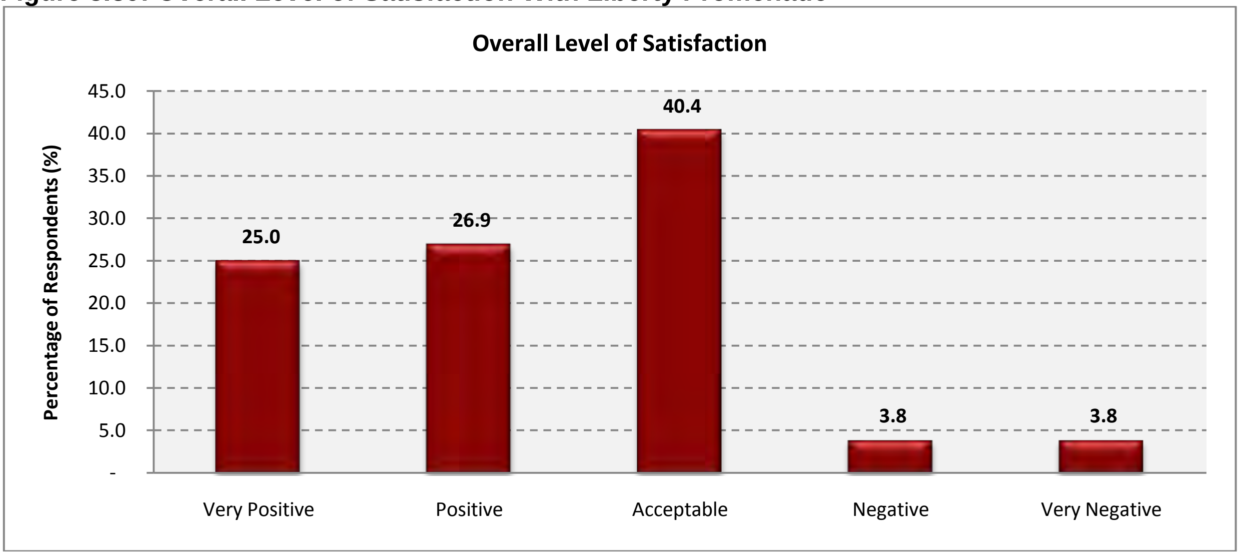
Findings: (Figures 8.35 to 8.38)

- ✓ The majority of respondents indicated that their visits to Liberty Promenade have increased over the past year – 73.9%, 12.5% indicated that their visits remained the same and 13.6% indicated that they declined.
- ✓ The main purpose for visiting Liberty Promenade is for visits to specific shops – 38.1%, followed by general shopping (24.9%), banking and financial services (17.7%), restaurants (14.4).
- ✓ The preferred time of the day to shop at the mall is during the morning (47.3%), over lunch time (29.7%), afternoon (15.4%) and evenings (7.7%).
- ✓ The preferred time of the day to visit the centre for entertainmentis in the afternoon (43.3%), mornings (30.0%), lunch time and evenings (13.3% respectively).
- ✓ The average dwell time is mainly one hour – 34.8%, followed by 33.4% indicating dwell times of between 1.5 and two hours and 19.7% indicating dwell times of between two and three hours.

8.4.5 SATISFACTION WITH LIBERTY PROMENADE

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 8.39: Overall Level of Satisfaction With Liberty Promenade



Source: Demacon Household Surveys, 2009

The majority of respondents indicated that they regard Liberty Promenade as an acceptable retail centre, supported by 26.9% of respondents indicating that they are satisfied and 25.0% indicated that they are more than satisfied with Liberty Promenade as retail centre. A mere 7.6% indicated negative levels of satisfaction.

Table 8.6: Rating of Liberty Promenade Elements

	Rating					Total
	1	2	3	4	5	
TENANT MIX						
Overall image of the centre	-	2.3	19.3	27.3	**51.1**	100.0
Variety of stores	-	3.5	12.9	**51.8**	31.8	100.0
Presence of local stores/tenants	-	2.5	13.8	**47.5**	36.3	100.0
Presence of national tenants	-	-	17.7	**48.1**	34.2	100.0
Location of stores in relation to each other	1.2	1.2	11.1	**55.6**	30.9	100.0
Clothing store selection and availability	-	-	15.8	**50.0**	34.2	100.0
Convenience services selection and availability	1.4	1.4	27.0	**45.9**	24.3	100.0

	Rating					Total
	1	2	3	4	5	
Books / cards / stationery shop selection and availability	1.3	2.7	24.0	**53.3**	18.7	100.0
Entertainment and restaurant selection and availability	2.6	7.7	25.6	**46.2**	17.9	100.0
Health and beauty selection and availability	1.4	2.8	31.0	**42.3**	22.5	100.0
Home furnishing and furniture selection and availability	-	1.4	26.4	**48.6**	23.6	100.0
Bank / ATM location and selection	1.3	2.6	24.4	**48.7**	23.1	100.0
Availability and selection of speciality shops	-	4.5	23.9	**43.3**	28.4	100.0
PARKING AND ACCESS						
Convenience of the centre's location within the area	-	4.2	26.4	**47.2**	22.2	100.0
Transport to the centre	-	7.1	21.4	**50.0**	21.4	100.0
Link to public transport – taxi/bus ranks	-	12.5	12.5	**50.0**	25.0	100.0
Accessibility of parking	-	7.6	27.8	**44.3**	20.3	100.0
Adequacy of parking	1.3	3.8	31.3	**45.0**	18.8	100.0
Ease of access to the entrance of the centre from parking	-	6.4	29.5	**48.7**	15.4	100.0
FACILITIES						
Adequacy / quality of bathroom facilities	-	3.8	13.8	**50.0**	32.5	100.0
Adequacy of disability facilities	-	5.2	15.6	**58.4**	20.8	100.0
Availability of information kiosks and staff	-	5.2	19.5	**45.5**	29.9	100.0
Sufficiency of lifts / escalators	-	12.3	23.3	**43.8**	20.5	100.0
Availability of mall layout plans and centre signage	1.4	8.7	14.5	**47.8**	27.5	100.0
CLEANING						
The overall cleanliness of the centre	-	3.4	5.7	38.6	**52.3**	100.0
MAINTENANCE						
The overall maintenance of the centre	-	4.8	8.4	**44.6**	42.2	100.0
SECURITY						
Safety in the shopping centre and parking area	2.2	5.6	19.1	32.6	**40.4**	100.0
LANDSCAPING AND AESTHETICS						
Overall design and features of the centre	-	1.3	7.9	43.4	**47.4**	100.0

Source: Demacon Household Surveys, 2009

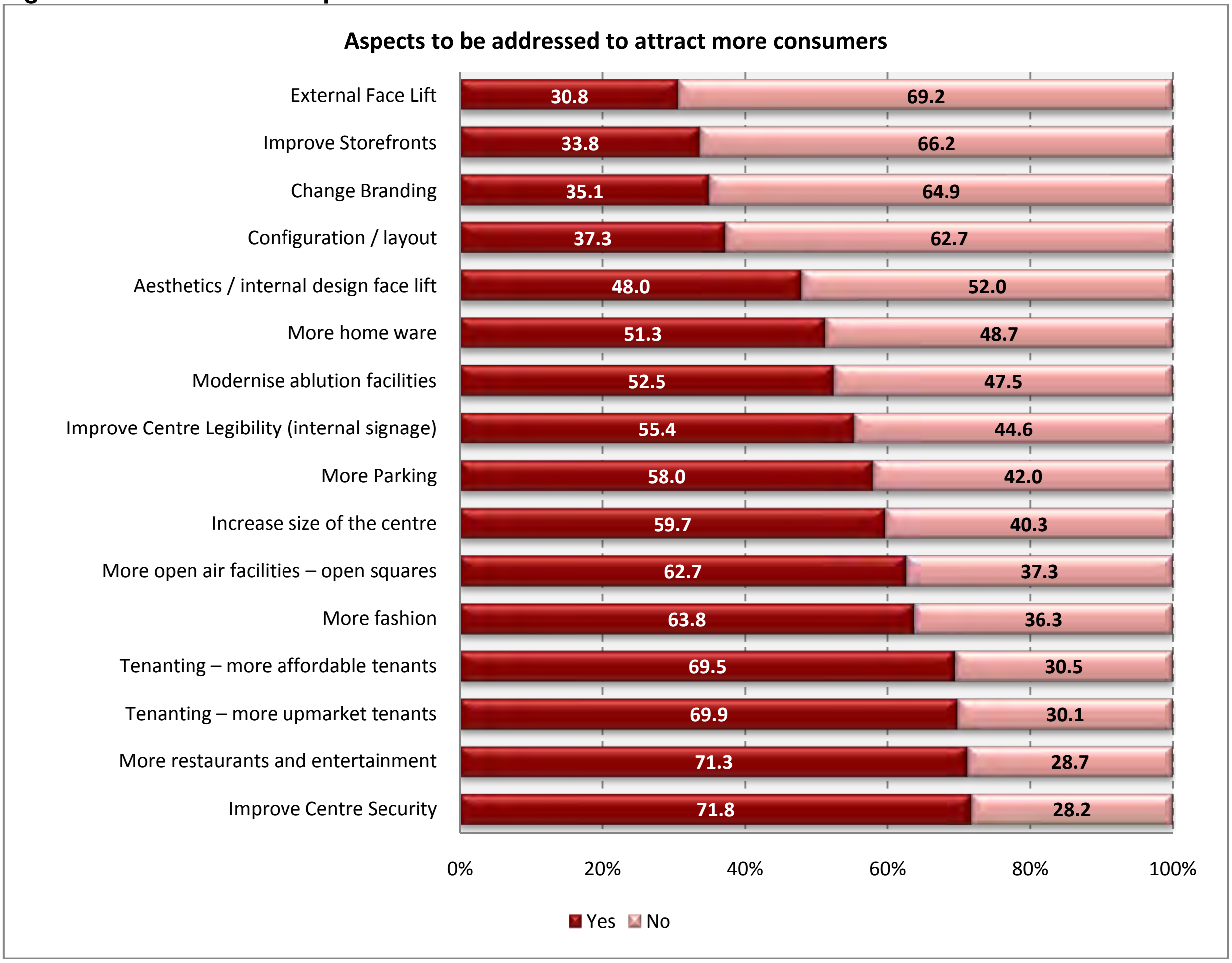
Findings: (Table 8.6)

- ✓ It is evident that the majority of tenants are satisfied with the tenant mix of Liberty Promenade – they rated it as good. However, aspects that could be improved include the health and beauty selection, convenience services, home furnishing and furniture, entertainment and restaurants, book and gift stores.
- ✓ The majority of respondents also rated the parking facilities as good. Aspects that can be improved include more parking bays and the ease of access to the entrance of the centre from the parking areas.
- ✓ In terms of public facilities, the majority of respondents rated these as good.
- ✓ The overall cleanliness, maintenance, landscaping and aesthetics of the mall are rated as good to excellent by the majority of respondents.

Findings: (Figures 8.40 and 8.41)

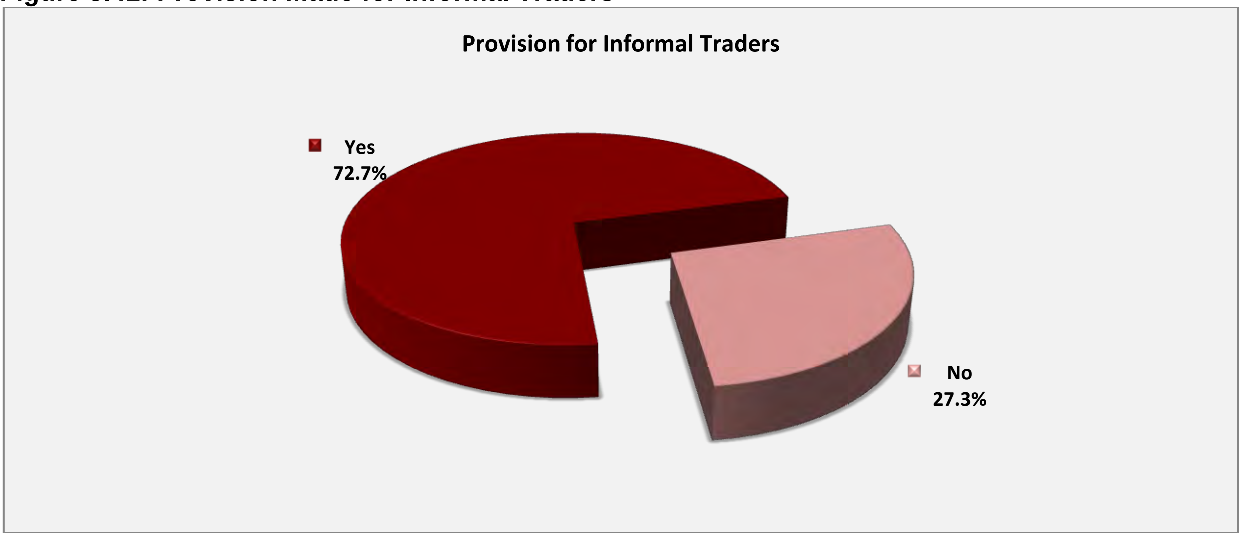
- ✓ The dominant perceived aspects that should be addressed include:
  - Improve centre security;
  - More restaurants and entertainment;
  - More upmarket tenants;
  - More affordable tenants;
  - More fashion;
  - More open air facilities;
  - Increase the size of the centre;
  - More parking.
- ✓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

Figure 8.40: Perceived Aspects That Should Be Addressed to Attract More Consumers



Source: Demacon Household Surveys, 2009

Figure 8.41: Provision Made for Informal Traders

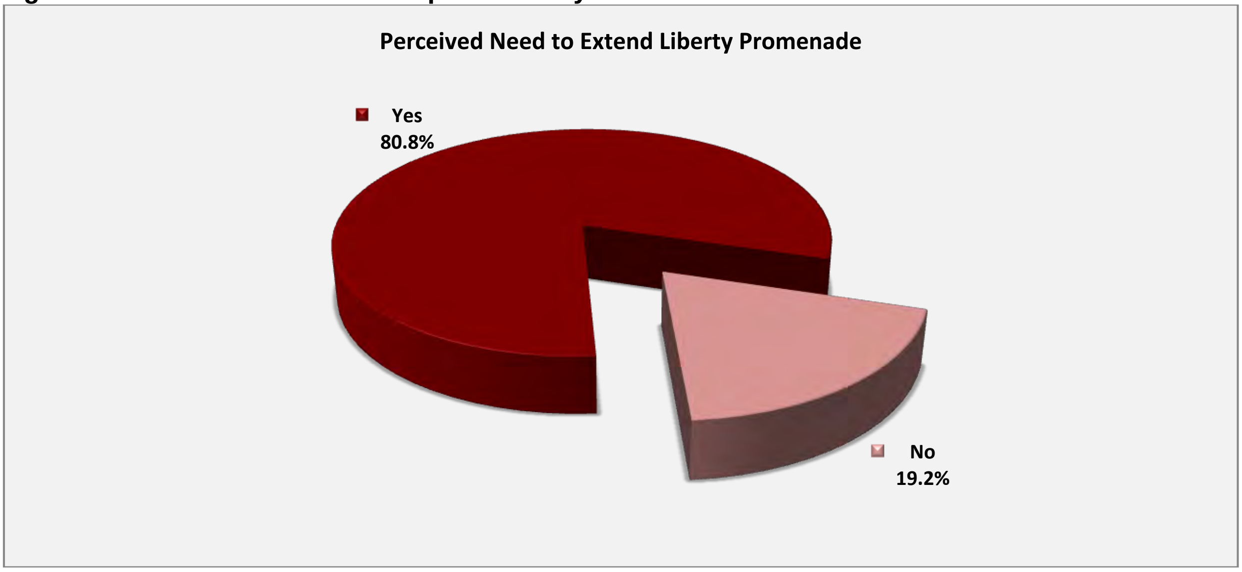


Source: Demacon Household Surveys, 2009

8.4.6 NEED TO EXPAND LIBERTY PROMENADE

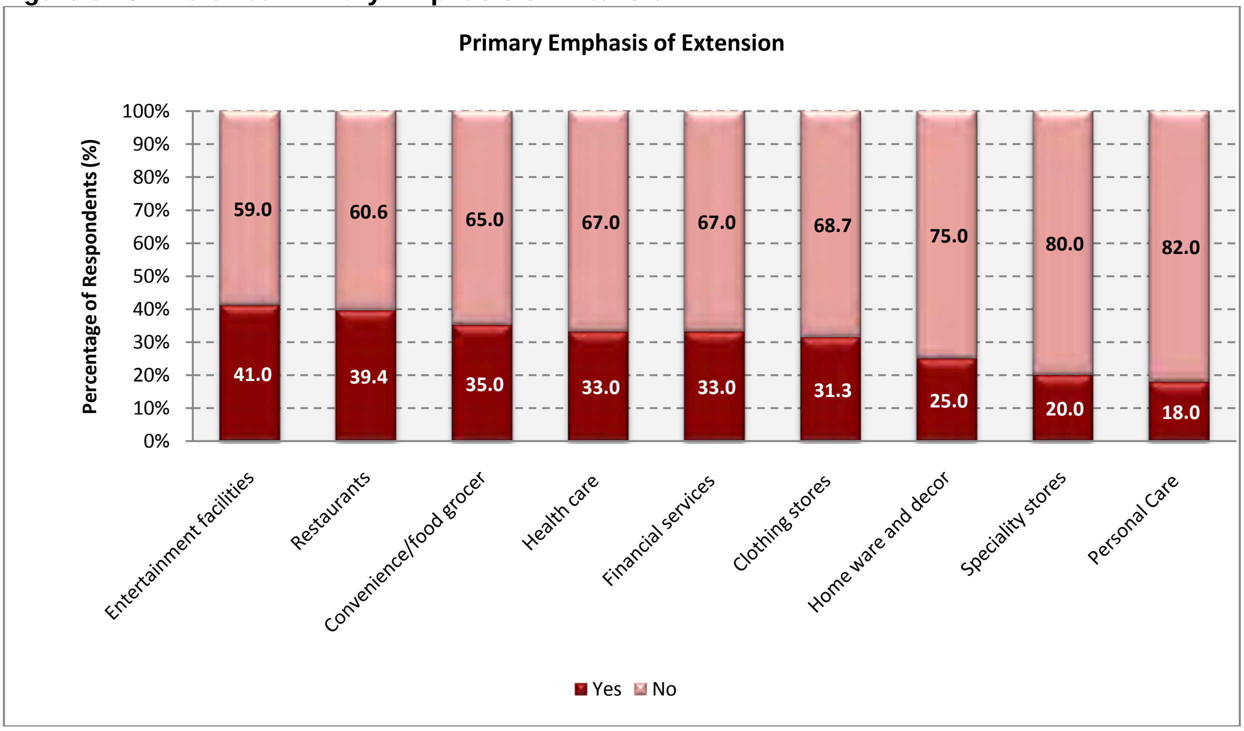
Consumers indicated the perceived need to expand Liberty Promenade, showing the primary emphasis of the extension.

Figure 8.42: Perceived Need to Expand Liberty Promenade



Source: Demacon Household Surveys, 2009

Figure 8.43: Preferred Primary Emphasis of Extension



Source: Demacon Household Surveys, 2009

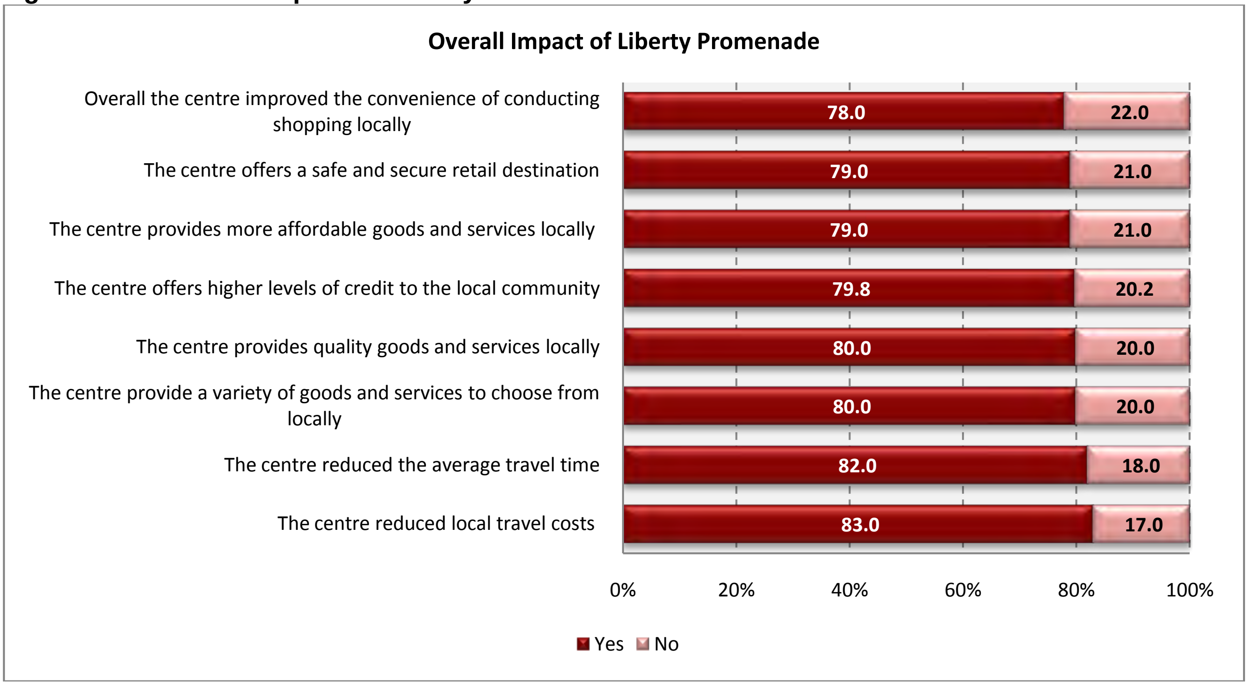
Findings: (Figures 8.42 and 8.43)

- ✓ The majority of respondents indicated a perceived need to extend Liberty Promenade – **80.8%**
- ✓ The preferred primary emphasis of this extension should be on entertainment, restaurants, convenience/food grocer, health care and financial services.

8.4.7 OVERALL IMPACT OF LIBERTY PROMENADE

Consumers gave feedback on the overall impact that the development of Liberty Promenade had locally.

Figure 8.44: Overall Impact of Liberty Promenade



Source: Demacon Household Surveys, 2009

Findings: (Figure 8.44)

The development of Liberty Promenade resulted in the following dominant impacts:

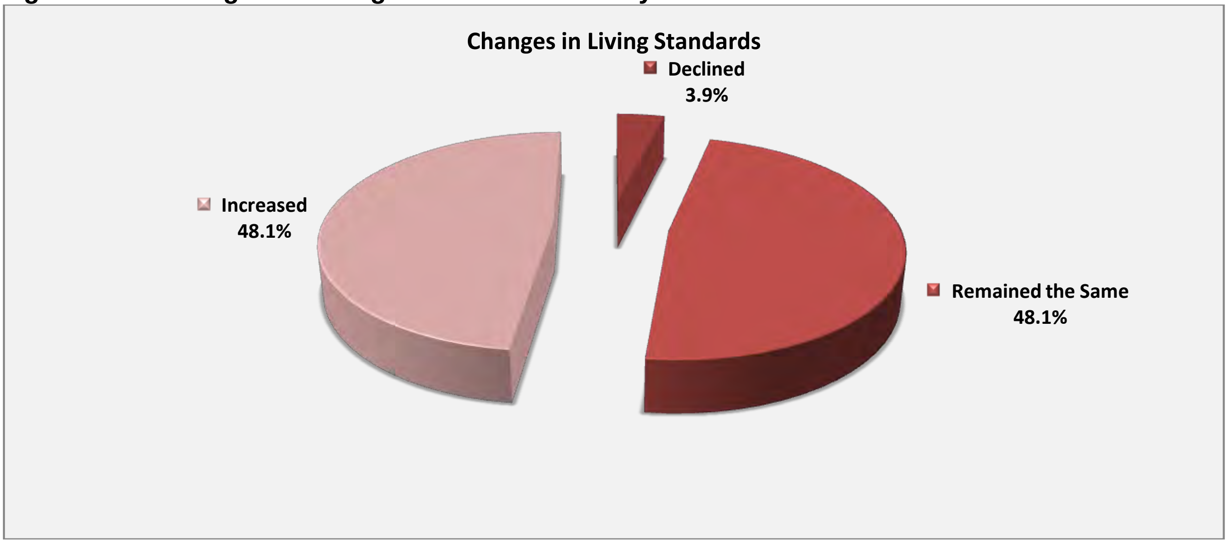
1. The centre reduced travel costs;
2. The centre reduced average travel time;
3. The centre provides quality goods and services locally;
4. The centre provides a variety of goods and services to choose from locally;
5. The centre offers higher levels of credit to the local community.

8.4.8 LIVING STANDARD AND AVERAGE ANNUAL INCOME

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

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

Figure 8.45: Changes in Living Standards – 5 to 10yrs

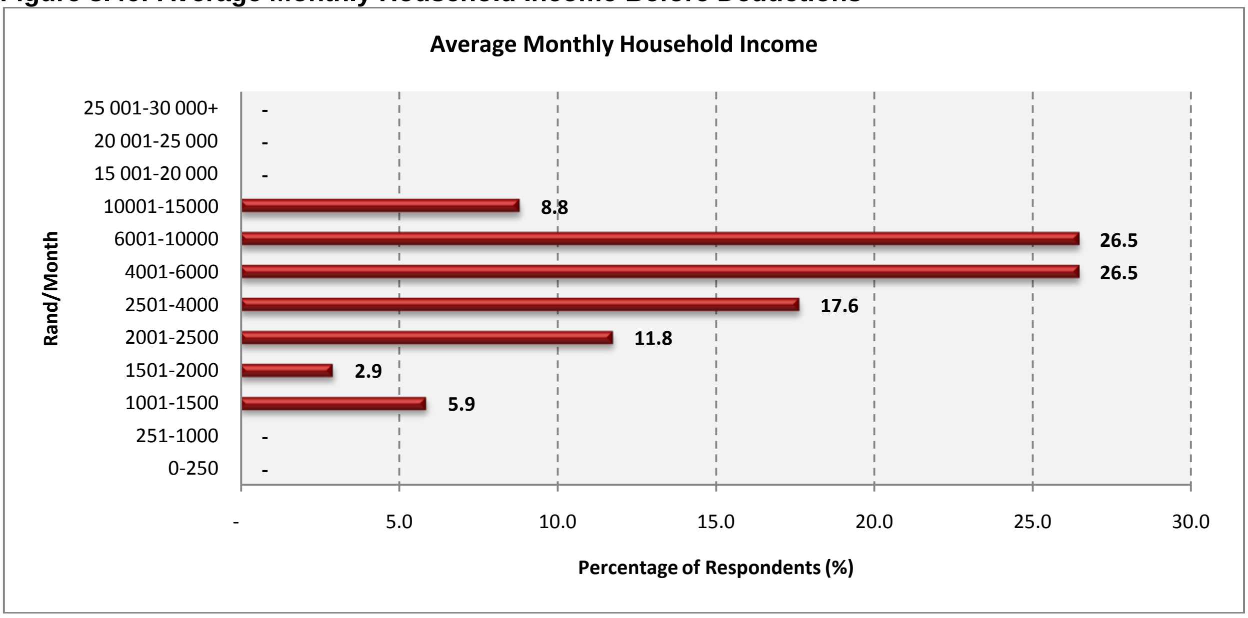


Source: Demacon Household Surveys, 2009

Findings: (Figures 8.45 to 8.46)

- ✓ An evenly sized proportion of respondents indicated that their living standard remained the same or improved over the past five to 10 years – 48.1% respectively.
- ✓ These changes can largely be ascribed to new developments and general upgrades in the area improving access to services and infrastructure.
- ✓ The weighted average monthly household income amounts to **R5 507.85.**
- ✓ In terms of remittances it was indicated that **10.0%** of respondents obtain a certain percentage of their income from remittances. 80.0% of these respondents receive remittances making up 10% to 20% of their monthly incomes, 10% indicated that remittances make up 40% of their monthly incomes and 10% indicated that they make up 100% of their income.
- ✓ 10.1% of respondents also indicated that a certain portion of their income originates from the social grant system. 90.0% of these respondents obtain social grants constituting 10% to 20% of their monthly income and 10.0% indicated that 50.0% of their monthly income is obtained from social grant system.

Figure 8.46: Average Monthly Household Income Before Deductions



Source: Demacon Household Surveys, 2009

8.5 SYNTHESIS

This chapter provided an in-depth assessment of Liberty Promenade, 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 Liberty Promenade had on the local community and economy – Table 8.7.

Table 8.7: Impact of the Development of Liberty Promenade

	Change	Impact
Changes in shopping location:		
Mitchell's Plain	56.3% to 59.5%	↑
Cape Town Central	29.5% to 20.7%	↓
Somerset West	4.5% to 3.6%	↓
Other	9.8% to 16.2%	↑
Percentage of shopping conducted outside the local areas	46.1% to 40.2%	↓
Percentage of shopping at local traders	20.3% to 18.4%	↓
Average transport cost:		
Retail centre	R10.0 to R11.6	↑
Local traders	R11.9 to R10.4	↓
Average travel time:		
Retail centre	17.1min to 12.6min	↓
Local traders	10.6min to 9.9min	↓
Monthly household retail expenditure	R906.4 to R1 321.8 Liberty Promenade – R973.3	↑
Impact on local traders:	Slight to large decline in support – 47.2%	↓
1. Everything remained the same	58.3%	**Constant**
2. Closure of local businesses	6.0%	**Negative**
3. Informal traders moved closer to the mall	5.0%	**Positive**
4. Movement of local businesses closer to the mall	4.0%	**Positive**
5. Decline in informal traders	3.0%	**Negative**
6. Movement of local business to the mall	2.5%	**Positive**
Overall impact of Liberty Promenade		
1. Reduced average travel cost	83.0%	**Positive**
2. Reduced average travel time	82.0%	**Positive**
3. Provide good quality goods and services locally	80.0%	**Positive**
4. Centre provides a variety of goods and services to choose from locally	80.0%	**Positive**
5. Centre offers higher levels of credit locally	79.8%	**Positive**

From Table 8.7 it is evident that the overall impact of Liberty Promenade 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, increasing local expenditure and improving the overall convenience of shopping locally.