10.1 INTRODUCTION

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

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

10.2 THULA PLAZA PROFILE AND LOCATION WITH REFERENCE TO COMPETITION

10.2.1 THULA PLAZA PROFILE

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

Table 10.1: Thula Plaza Profile

<table>
<thead>
<tr>
<th>Centre type</th>
<th>Community centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centre size</td>
<td>11 404m² retail GLA</td>
</tr>
<tr>
<td>Location</td>
<td>Stand 1594, Thulamahashe, Bushbuck Ridge</td>
</tr>
<tr>
<td>Date of development</td>
<td>1998</td>
</tr>
<tr>
<td>Number of retail floors</td>
<td>1</td>
</tr>
<tr>
<td>Number of shops</td>
<td>36</td>
</tr>
<tr>
<td>Number of parking bays</td>
<td>Not specified</td>
</tr>
<tr>
<td>Anchor tenants</td>
<td>Score Supermarket</td>
</tr>
<tr>
<td></td>
<td>Boxer Cash ‘n Carry</td>
</tr>
<tr>
<td>Owner</td>
<td>Community Property Company (Pty) Ltd</td>
</tr>
<tr>
<td>Developer</td>
<td>McCormick Property Developments</td>
</tr>
</tbody>
</table>

Source: Demacon Ex. SACSC, 2010

10.2.2 THULA PLAZA LOCATION WITH REFERENCE TO COMPETITION

Map 10.1 indicates that there are no other formal retail centres within 10km from Thula Plaza, however, four other centres are located within 20km from Thula Plaza. Table 10.2 indicates the detail of the centres located within a 20km radius from Thula Plaza.
Map 10.1: Location of Thula Plaza and Other Retail Centres Within and Beyond a 10km Radius
There are no other retail centres within 10km, however, there are four other centres within 20km from Thula Plaza.

Two are located in Acornhoek and two in Bushbuckridge.

These include three community centres and one neighbourhood centre.

The sizes of the centres vary between 5 363m$^2$ retail GLA and 22 306m$^2$ retail GLA.

The centres excluding Thula Plaza constitute a total of 56 989m$^2$ of retail GLA.

None of these centres were developed post 2000.

Anchors include Spar, Pep, Jet, Ackermans, Boxer, Standard Bank, Ellerines, KFC, Edgars, Score, Shoprite, Barnetts, Price ‘n Pride, Goldex, Value Furnishers.

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

10.3 CONSUMER MARKET PROFILE

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

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

Table 10.3: Consumer Market Profile, 2010 Estimates

<table>
<thead>
<tr>
<th>Variable</th>
<th>Primary Source Market Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of people</td>
<td>65 145</td>
</tr>
<tr>
<td>Number of households</td>
<td>14 598</td>
</tr>
<tr>
<td>Household size</td>
<td>4.6</td>
</tr>
<tr>
<td>Household density</td>
<td>197.6 households/km$^2$</td>
</tr>
<tr>
<td>Racial distribution</td>
<td>African blacks – 99.9%</td>
</tr>
<tr>
<td></td>
<td>Coloureds – 0.1%</td>
</tr>
<tr>
<td>Age profile</td>
<td>0-14: 42.2%</td>
</tr>
<tr>
<td></td>
<td>15-19: 14.2%</td>
</tr>
<tr>
<td></td>
<td>21-35: 20.9%</td>
</tr>
<tr>
<td>Variable</td>
<td>Primary Source Market Characteristics</td>
</tr>
<tr>
<td>----------</td>
<td>--------------------------------------</td>
</tr>
</tbody>
</table>
| **Educational attendance (aged 5 to 24 years)** | ✓ 36-65: 17.6%  
✓ 65+: 5.0%  
✓ School: 76.5%  
✓ None: 20.4%  
✓ Pre-school: 2.3%  
✓ Other: 0.7% |
| **Highest level of education (aged 20 and older)** | ✓ Higher: 9.9%  
✓ Grade 12: 13.7%  
✓ Some secondary: 20.8%  
✓ Some primary and primary: 16.3%  
✓ None: 39.3% |
| **Level of employment** | ✓ EAP: 45.2%  
✓ Employed: 31.9%  
✓ Unemployed: 68.1% |
| **Manner of employment** | ✓ Paid employees: 83.2%  
✓ Self-employed: 10.4%  
✓ Family worker: 2.7%  
✓ Employer: 3.8% |
| **Occupation profile** | ✓ Elementary occupations: 26.0%  
✓ Technicians and associate professionals: 20.3%  
✓ Service workers: 12.6%  
✓ Professionals: 11.8%  
✓ Clerks: 8.3%  
✓ Craft and related trade: 8.2%  
✓ Plant and machine operators and assemblers: 7.8%  
✓ Legislators, senior officials and managers:3.3% |
| **Weighted average household income**<sup>**</sup> | Total market earning an income:  
 ✓ R44 589.1/annum  
 ✓ R3 715.8/month  
 **LSM 4 to 10+:**  
 ✓ R86 757.8/annum  
 ✓ R7 229.8/month |
| **LSM profile** | ✓ LSM 1-3: 70.5%  
 ✓ LSM 4-10+: 29.5% |
| **Mode of transport** | ✓ On Foot: 88.9%  
 ✓ Private Vehicle: 5.6%  
 ✓ Mini-bus: 3.7%  
 ✓ Bus: 0.8% |
| **Dwelling type** | ✓ House on separate stand: 77.1%  
✓ Traditional dwellings: 15.1%  
✓ Flat in block of flats: 2.4%  
✓ Informal dwellings in backyard: 1.5%  
✓ Informal dwelling on separate stands: 1.4% |

<sup>**</sup>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.

Source: Demacon Ex. Quantec, 2010

Subsequent figures highlight some of the salient features of the consumer market.
Figure 10.1: Age Profile of Consumer Market

Source: Demacon Ex. Quantec, 2010

Figure 10.2: Employment Status

Source: Demacon Ex. Quantec, 2010

Table 10.4: Living Standard Measurement Indicator, 2010

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

Source: Demacon Ex. Quantec, 2010
Figure 10.3: Average Annual Household Income, 2010

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

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

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

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

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

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

10.4.1 HOUSEHOLD INFORMATION

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

Figure 10.4: Number of Households on Premises

![Bar chart showing the percentage of households by number of households on premises.]

Source: Demacon Household Surveys, 2009
Figure 10.5: Average Household Size

![Graph showing household size distribution.]

Source: Demacon Household Surveys, 2009

Figure 10.6: Current Life Stage

![Graph showing current life stage distribution.]

Source: Demacon Household Surveys, 2009

Figure 10.7: Age Profile of Household Members

![Pie chart showing age profile distribution.]

Source: Demacon Household Surveys, 2009
Figure 10.8: Family Member Responsible for Retail Purchases

Source: Demacon Household Surveys, 2009

Figure 10.9: Mode of Transport

Source: Demacon Household Surveys, 2009

Figure 10.10: Breadwinners per Household

Source: Demacon Household Surveys, 200
Findings: (Figures 10.4 to 10.10)

Consumer market reflects the following household characteristics:

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

10.4.2 PAST CONSUMER BEHAVIOUR

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

Figure 10.11: Retail Location Before Thula Plaza

Source: Demacon Household Surveys, 2009
### Figure 10.12: Percentage of Shopping Conducted Outside the Local Area Before Thula Plaza

**Leakage of Buying Power before Thula Plaza**

<table>
<thead>
<tr>
<th>Percentage (%)</th>
<th>Percentage of Respondents (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5%</td>
<td>-</td>
</tr>
<tr>
<td>6-10%</td>
<td>7.4</td>
</tr>
<tr>
<td>10-15%</td>
<td>7.4</td>
</tr>
<tr>
<td>16-20%</td>
<td>-</td>
</tr>
<tr>
<td>21-30%</td>
<td>11.1</td>
</tr>
<tr>
<td>31-40%</td>
<td>7.4</td>
</tr>
<tr>
<td>41-50%</td>
<td>18.5</td>
</tr>
<tr>
<td>51-60%</td>
<td>18.5</td>
</tr>
<tr>
<td>61-70%</td>
<td>29.6</td>
</tr>
<tr>
<td>71-80%</td>
<td>-</td>
</tr>
<tr>
<td>81-90%</td>
<td>-</td>
</tr>
<tr>
<td>91-100%</td>
<td>7.4</td>
</tr>
</tbody>
</table>

Source: Demacon Household Surveys, 2009

### Table 10.5: Preferred Retail Centre Before Thula Plaza

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

Source: Demacon Household Surveys, 2009
Figure 10.13: Average Distance to Preferred Centre

![Graph showing average distance to centres with percentages for different distance ranges (e.g., 0-10km, 11-15km, etc.)]

Source: Demacon Household Surveys, 2009

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

![Graph showing percentage of shopping conducted at local traders with different ranges (e.g., 0-5%, 6-10%, etc.)]

Source: Demacon Household Surveys, 2009

Findings: (Figures 10.11 to 10.15 and Table 10.5)

- Before Thula Plaza was developed the majority of respondents conducted their shopping in Bushbuck Ridge (31.0%), Hazyview (23.9%), Nelspruit (23.9%), Acornhoek (20.4%) and other areas (0.9%).
- Before Thula Plaza was developed approximately 50.8% (weighted average\textsuperscript{85}) of shopping was conducted outside of the local area.
- In terms of the preferred retail centres the following dominant centres featured: Bushbuck Ridge Centre, Twin City (Bushbuck Ridge), Acornhoek Plaza, Twin City Blue Haze and Nelspruit Centres.
- The dominant retail areas include Bushbuck Ridge, Acornhoek, Hazyview and Nelspruit.
- Before the development of Thula Plaza the average distance to supported retail centres was mostly between 26 and 30km (39.1%), followed by 26.1% of respondents indicating

\textsuperscript{85} Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.
distances of more than 30km and 24.4% indicated distances of less than R26km. The average weighted distance amounted to 28.0km\(^{86}\).

- Respondents conducted between 41% and 50% (34.8%) of their shopping at local traders, 26% of respondents conducted between 20% and 40% of their shopping at local traders, 26% indicated that they conducted between 11% and 20% of shopping at local traders, 8.7% conducted between 5% and 10% of shopping at local traders. The average weighted percentage conducted at local traders amounted to 30.9%.

- The majority of households spent between R300 and R1 000 a month at formal retail centres (88.51%), 7.7% of households spent less than R300 a month and 3.8% of households spent more than R1 000 a month. Average monthly household expenditure at formal retail centres amounted to R534.2.

- The majority of households spent between R151 and R200 a month at local traders (50.0%), 33.3% spent between R51 and R100 a month and 16.7% spent between R201 and R300 a month at local traders. The average monthly household expenditure at local traders amounted to R154.67.

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

Findings: (Figures 10.16 to 10.17)

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

\(^{86}\) Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.
Similar trends were observed with reference to travel fares to local traders. The average weighted transport fare to local traders amounted to **R16.0**.

In terms of the average travel time the majority of respondents indicated a travel time of between 21 and 30 minutes to formal retail centres – 44.8%, a slightly smaller segment indicated travel times exceeding 30 minutes (37.9%) and a smaller segment indicated travel times between 11 and 20 minutes (17.2%). The weighted average travel time to formal retail centres amounted to **32.7 minutes**

The majority of respondents indicated that they travel for between 21 and 30 minutes to local traders (57.1%), this is followed by 28.6% of respondents indicating travel times of 11 to 15 minutes and 14.3% indicating travel times between 51 and 60 minutes. The weighted average travel time to local traders amounted to **26.2 minutes**.

**Figure 10.16: Average Bus/Taxi Fare**

**Figure 10.17: Average Travel Time**

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

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

Findings: (Figures 10.18 to 10.21)

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

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

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

![Figure 10.20](image)

Source: Demacon Household Surveys, 2009

Figure 10.21: Impact of Thula Plaza on Local Retail Expenditure

![Figure 10.21](image)

Source: Demacon Household Surveys, 2009

88 Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.
Figure 10.22: Average Monthly Household Retail Expenditure

Source: Demacon Household Surveys, 2009

Figure 10.23: Type of Commodities Predominantly Purchased at Thula Plaza

Source: Demacon Household Surveys, 2009
Findings: (Figures 10.22 to 10.25)

✓ The largest segment of households indicated that they spend between R751 and R1 500 on monthly shopping – 86.2%, this is followed by 6.9% indicating amounts below R750 and 6.8% indicating amounts above R1 500 a month. The average weighted amount spent on shopping is **R1 103.95**.

✓ The majority of respondents also indicated that they spend between R300 and R1 200 per month at Thula Plaza – 78.6%, supported by 14.3% indicating expenditures between R201 and R300.

Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.
and R300 a month and 7.2% indicating expenditure exceeding R1 200 per month. The average weighted monthly amount spent at Thula Plaza is **R782.64**.

✓ In terms of the types of commodities predominantly purchased at Thula Plaza the following categories prevail: top-up and monthly groceries, hardware goods, clothing, shoes and accessories.

✓ In terms of the type of commodities not available at Thula Plaza the following categories prevail: services, restaurants, entertainment, groceries, clothing and personal care.

✓ Respondents also indicated their preferred retail centres after the development of Thula Plaza: Twin City Bushbuck Ridge, Twin City Blue Haze, Thula Plaza, Acornhoek Plaza, Nelspruit Centres, Bushbuck Ridge Shopping Centre, Hoedspruit Complex and Simunye Centre.

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

![Support towards previously preferred Retail Centres](image)

Source: Demacon Household Surveys, 2009

**Figure 10.27: Reasons for Support Towards These Centres**

<table>
<thead>
<tr>
<th>Reasons for support towards these centres</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clothing</td>
<td>3.6</td>
</tr>
<tr>
<td>Entertainment</td>
<td>3.6</td>
</tr>
<tr>
<td>Better service</td>
<td>7.1</td>
</tr>
<tr>
<td>More grocery stores</td>
<td>10.7</td>
</tr>
<tr>
<td>Variety</td>
<td>75.0</td>
</tr>
</tbody>
</table>

Source: Demacon Household Surveys, 2009
Findings: (Figures 10.26 to 10.30)

✓ 95.0% of respondents indicated that they still support their previously preferred retail centres after the development of Thula Plaza.
✓ The dominant reasons for respondents’ continued support for previously preferred retail centres include greater variety, more grocery stores, better service, entertainment and clothing outlets.
✓ Since the development Thula Plaza, the majority of respondents conduct between 40% and 50% of shopping at local traders – 28.6%, this is followed by 21.4% indicating that they conduct between 30% and 40% of shopping at local traders, 14.3% conduct between 16% and 20% of shopping at local traders, 21.4% between 10% and 15% and 14.3% conduct...
less than 15% of shopping at local traders. The weighted average support for local traders amount to 27.0%.

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

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

<table>
<thead>
<tr>
<th>Change in Environment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Everything remained the same</td>
<td>98.1</td>
</tr>
<tr>
<td>Movement of informal traders to locations closer to the Plaza</td>
<td>96.2</td>
</tr>
<tr>
<td>Local businesses relocated closer to the Plaza</td>
<td>94.2</td>
</tr>
<tr>
<td>Local businesses relocated to the Plaza</td>
<td>86.5</td>
</tr>
<tr>
<td>Local businesses closed down</td>
<td>74.6</td>
</tr>
<tr>
<td>A decline in informal traders took place</td>
<td>65.2</td>
</tr>
</tbody>
</table>

Source: Demacon Household Surveys, 2009

Figure 10.31: Average Taxi/Bus Fares

Source: Demacon Household Surveys, 2009

Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.
**Figure 10.32: To What Extent Do Higher Transport Fares Deter You From Buying Outside the Local Area?**

![Pie chart showing transport fares deterrent to buying outside](chart.png)

Source: Demacon Household Surveys, 2009

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

![Bar chart showing transport costs that will still support shopping outside](chart.png)

Source: Demacon Household Surveys, 2009

**Findings: (Figures 10.31 to 10.33)**

- In terms of the travel fares to Thula Plaza, the majority of respondents pay less than R10 for a round trip – 80.0%, followed by 13.3% of respondents indicating that they pay between R11 and R15 for a round trip. The average weighted travel fare for a round trip to Thula Plaza is **R7.20**.

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

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

---

91 Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.
In terms of travel fares to local traders; the majority of respondents indicated that they pay between R16 and R30 for a round trip – 56.3%, followed by 37.5% indicating that they pay less than R15 and 6.3% indicating costs exceeding R30. The average weighted travel fares to local traders amounts to R17.10.

The majority of respondents indicated that transport fares represent a slight deterrent to their retail expenditure outside of the area – 81.8%. A small segment of 18.2% indicated that they represent no deterrent at all and none indicated that they represent a significant deterrent to their retail expenditure outside of the local area.

The majority of respondents indicated that for transport fares of less than R10 for a round trip they would support shopping outside the area – 93.3%. This is followed by 6.7% of respondents indicating an amount between R11 and R20.

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

Findings: (Figure 10.34)

The average travel time to Thula Plaza – the largest segment of respondents indicated travel times of fewer than 10 minutes – 66.6%, followed by 22.9% of respondents indicating travel times between 11 and 15 minutes and 4.3% indicating travel times between 21 and 50 minutes. The average weighted travel time to Thula Plaza amounts to 9.1 minutes. It is important to note that the development of Thula Plaza had a positive impact on travel times to formal retail centres. Before Thula Plaza only 3.4% of respondents travelled for

Note: Weighted average is an average of multiple values produced by assigning a weight to each value, multiplying each value by its weight, and then adding the results.
fewer than 15 minutes to a formal retail centre. After the development of Thula Plaza this percentage increased to a total of 89.5%.

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

The majority of respondents indicated average travel times shorter than 10 minutes to reach local traders – 41.3%, this is followed by 58.7% indicating travel times exceeding 10 minutes. The average weighted travel time amounts to **21.4 minutes**.

### 10.4.4 FREQUENCY OF VISITS AND DWELL TIME

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

**Figure 10.35: Changes to Visits Over Past Year**

*Source: Demacon Household Surveys, 2009*

**Figure 10.36: Main Purpose for Visiting Thula Plaza**

*Source: Demacon Household Surveys, 2009*
Findings: (Figures 10.35 to 10.38)

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

Figure 10.37: Preferred Time of the Day

Figure 10.38: Average Dwell Time on Typical Visit

Source: Demacon Household Surveys, 2009
10.4.5 SATISFACTION WITH THULA PLAZA

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

Figure 10.39: Overall Level of Satisfaction with Thula Plaza

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

Table 10.6: Rating of Thula Plaza Elements

<table>
<thead>
<tr>
<th>TENANT MIX</th>
<th>Rating</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall image of the centre</td>
<td>2.0</td>
<td>11.8</td>
</tr>
<tr>
<td>Variety of stores</td>
<td>16.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Presence of local stores/tenants</td>
<td>11.4</td>
<td>2.3</td>
</tr>
<tr>
<td>Presence of national tenants</td>
<td>8.5</td>
<td>29.8</td>
</tr>
<tr>
<td>Location of stores in relation to each other</td>
<td>8.9</td>
<td>26.7</td>
</tr>
<tr>
<td>Clothing store selection and availability</td>
<td>11.4</td>
<td>20.5</td>
</tr>
<tr>
<td>Convenience services selection and availability</td>
<td>6.3</td>
<td>18.8</td>
</tr>
<tr>
<td>Books / cards / stationery shop selection and availability</td>
<td>12.5</td>
<td>12.5</td>
</tr>
<tr>
<td>Entertainment and restaurant selection and availability</td>
<td>33.3</td>
<td>31.0</td>
</tr>
<tr>
<td>Health and beauty selection and availability</td>
<td>16.7</td>
<td>13.9</td>
</tr>
<tr>
<td>Home furnishing and furniture selection and availability</td>
<td>2.9</td>
<td>20.6</td>
</tr>
<tr>
<td>Bank / ATM location and selection</td>
<td>7.5</td>
<td>17.5</td>
</tr>
<tr>
<td>Availability and selection of specialty shops</td>
<td>22.6</td>
<td>9.7</td>
</tr>
</tbody>
</table>

PARKING AND ACCESS

| Convenience of the centre's location within the area | 3.4 | 24.1 |
| Transport to the centre                              | 19.0 | 9.5 |
| Link to public transport – taxi/bus ranks           | 21.1 | 15.8 |
| Accessibility of parking                             | 2.6  | 26.3 |
| Adequacy of parking                                  | 38.6 | 17.1 |
| Ease of access to the entrance of the centre from parking | 2.9 | 17.6 |

FACILITIES

| Adequacy / quality of bathroom facilities           | 6.8  | 22.7 |
| Adequacy of disability facilities                   | 8.1  | 21.6 |
| Availability of information kiosks and staff        | 16.7 | 22.2 |
| Sufficiency of lifts / escalators                    | 12.1 | 21.2 |
| Availability of mall layout plans and centre signage | 24.2 | 21.2 |

CLEANING

| The overall cleanliness of the centre              | 3.9  | 37.3 |

MAINTENANCE

Source: Demacon Household Surveys, 2009
Findings: (Table 10.6)

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

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

Source: Demacon Household Surveys, 2009
Findings: (Figures 10.40 and 10.41)

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

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

10.4.6 NEED TO EXPAND THULA PLAZA

Consumers indicated the perceived need to expand Thula Plaza, showing the primary emphasis of the extension.
**Figure 10.43: Preferred Primary Emphasis of Extension**

![Primary Emphasis of Extension](image)

*Source: Demacon Household Surveys, 2009*

**Findings:** (Figures 10.42 and 10.43)

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

### 10.4.7 OVERALL IMPACT THULA PLAZA

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

**Figure 10.44: Overall Impact of Thula Plaza**

![Overall Impact of Thula Plaza](image)

*Source: Demacon Household Surveys, 2009*
Findings: (Figure 10.44)

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

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

10.4.8 LIVING STANDARD AND AVERAGE ANNUAL INCOME

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

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

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

Source: Demacon Household Surveys, 2009

Findings: (Figures 10.45 to 10.46)

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

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

#### Table 10.7: Impact of the Development of Thula Plaza

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

Source: Demacon Household Surveys, 2009
From Table 10.7 it is evident that the overall impact of Thula Plaza has been positive, despite the slightly negative perceived impact on support for local traders. Overall, it has improved the retail landscape within the local area; reducing the leakage of buying power, reducing travel costs and travel times, increased local expenditure and improved the overall convenience of shopping locally.