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The impact of shopping mall developments on consumer behaviour in township areas

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ABSTRACT

The objective of the study was to evaluate the impact of shopping mall developments on consumer behaviour in township areas. Local and international research indicated that shopping mall developments in low-income communities result in several benefits for consumers, such as convenient location; a larger variety of goods offered, lower prices than small retailers in the area and better quality of goods, amongst others. Studies also indicated that the choice of the preferred supermarket/shopping mall is not a rational decision based only on pricing, but on a compromise of satisfying economic, social and psychological needs.

A two part mixed methodology, which employed both qualitative and quantitative methods, was adopted. This included semi-structured interviews with retail experts and interview-administered questionnaires with the primary retail shopper in the household. The sample population was Alexandra Township in Gauteng, South Africa. Findings revealed that low-income consumers prefer to shop from the closest shopping mall instead of small retailers/Spaza Shops because of the lower prices and a larger variety of goods offered. However, evidence suggested that consumers prefer to shop at a shopping mall that represents their desired lifestyle, therefore shopping mall developments in township areas, do not fulfil the social and aspirational needs of low-income consumers. For this reason, low-income consumers continue to purchase from malls in urban areas.

Keywords: Low-income consumer behaviour; shopping mall developments; township areas.



DECLARATION

I declare that the research project is my own work. It is submitted in partial fulfilment of the requirements of the degree of Master of business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorization and consent to carry out this research.

Lebogang Mokgabudi

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CHAPTER 1: DEFINITION OF PROBLEM AND PURPOSE

1.1 Introduction

Tustin and Strydom (2006) found that many African consumers had progressed into a middle-income group following political changes in South Africa. This development sparked a trend among many African people to trade township life for urban living; however a significant portion of the African middle-income class still remained in townships (Lighthelm 2006). This resulted in South African townships emerging as the new market for national retailers, especially supermarket chains. The increasing movement of formal retailers into previously untapped middle and low-income markets resulted in an increase in shopping centre development in townships (Lighthelm, 2006), which would also impact the broader business and community environment.

Lighthelm (2005) deduced that the informal trade sector constituted an important part of the South African economy, with estimated sales of R32 billion in 2002. Its emergence was largely attributed to the divergence between the growth in population, especially the urban population, and employment growth in the formal economy. Growth of informal enterprises, especially in the retail sector, was also thriving from the demand of less affluent households, whose household needs for unsophisticated and affordable products were aptly supplied by the informal sector (Lighthelm, 2005).

South Africa's extensive micro-enterprise sector offers a unique and vibrant setting for analyzing entrepreneurial development. The South African government, like many others in Africa since the 1990s, has encouraged private sector and small business development. Micro-enterprise thrives in a range of endeavours and has the potential to spread income and generate employment; yet most small-scale business activity has taken place in the untaxed and unregulated informal economy. Even with Sub Saharan Africa's (SSA's industrialised economic base, South Africa's formal business sector cannot absorb the rising number of entrants into the labour market. Unable to find work in the formal economy, many South Africans (both male and female) start informal enterprises (Ligthelm, 2005).

1.2 Research Problem

Shopping centres, supermarkets, and malls appeared to exert a potentially negative influence on informal micro-enterprise retail income and sales. Apps (2004) noted that retail growth and development has the potential to impact job creation, skills development and social responsibility, among others, however pose a threat to existing small business establishments in the townships. This is because shopping malls in the township provide a large variety of options for the township consumer. Tshabalala (2007) discovered that malls were becoming the main alternative for shoppers that once frequented small retailers, even in informal areas. For example, in Soweto the Maponya Mall had more than 150 stores and employed 1,800 people. These established formal businesses compete with informal retailers through economies of scale, variety and other competitive advantages such as centralized procurement, consolidated distribution, and better inventory management (Tshabalala, 2007).



According to Rogerson (1997), survival in the informal sector is a fact of life in Africa, given a lack of formal sector employment. In South Africa, the limits on formal employment led to an informal sector that has long been seen as survivalist. Little capital is invested by the owners in these businesses, and income generated tends to fall below a minimum income standard. As the owner consumes any surplus revenue and opportunities for expansion into a viable business are severely limited. However, the survivalist view of developing countries informal economic activities was fundamentally challenged by De Soto (1986) who stated that a segment of informal activities could go beyond survival in South Africa. These businesses may remain small, with only a few employees, but they provide a standard of living above the subsistence level.

Karnani (2007) argued for the need to view the poor primarily as producers, and not as consumers noting that the best way to alleviate poverty is to raise the income of the poor. He emphasized buying from the poor rather than selling to the poor. Barnard (2008) agreed that poor people are not only consumers, but also participants in the overall value chain. Rogerson (1997) concluded that some informal activities become growth enterprises as they respond to local opportunities. In South Africa, for example, shebeens expanded their businesses to form restaurants, while Spaza owners became wholesale dealers for beverage companies (Woodward & Teel, 1999).

1.3 Scope of Research

This study evaluated the impact of shopping mall development on consumer behaviour in Alexandra Township, which is located in the North Eastern suburbs of Johannesburg, 5km away from Sandton. Alexandra lies next to some of the wealthiest areas of Johannesburg, making the severe poverty and deprivation in the township a stark contrast to the wealth of Sandton (Morris, 2000). Pan Africa Shopping Centre was developed in Alexandra Township in May 2009 as part of the Presidential Alexandra Renewal Project, therefore the study focussed on the impact of Pan Africa Shopping mall on consumer behaviour in Alexandra Township.

The Alexandra Renewal Project was an initiative aimed at improving living conditions, upgrading human capacity as well as encouraging environmental development and infrastructure programmes. Pan Africa Shopping Centre is the first fully-integrated shopping mall developed through a public-private partnership in conjunction with the Gauteng Department of Housing, the Department of Public Transport, the Department of Finance and Economic Affairs the City of Johannesburg and the Pan African Development Company. It forms part of a comprehensive retail and taxi node including a 50,000m² taxi rank, three-level holding facility for taxis and public parking (Gauteng Economic Development Agency, 2009).



1.4 Research Objectives

The aim of this research is to assess and understand the impact of shopping mall developments on consumer behaviour in low-income communities. It could be expected that the introduction of shopping malls would change consumer preferences and purchasing decisions and have a negative impact on small township businesses.

The research aims to address the following questions:

Objective 1: How does the development of shopping centres into township areas impact consumer behaviour in the township area?

Objective 2: What is the impact of Pan Africa Shopping Centre on consumer behaviour?

Objective 2a: Has the development of the Pan Africa Shopping Centre influenced consumers to purchase from the shopping centre instead of purchasing from small retailers, Spaza owners and hawkers?

Objective 2b: Has the development of the Pan Africa Shopping Centre influenced consumers to purchase from that shopping centre instead of Sandton City?



1.5 Key Definitions

Spaza Shops: These are defined as businesses operating in a section of an occupied residential home or in any other structure on a stand zoned or used for residential purposes and where people permanently live.

Small township retailers (also known as township general dealers): These are stand-alone businesses with a brick and mortar superstructure, often located in a business area, but they may also be located in residential sections of townships. They carry a wider product range than Spazas and have more fixtures and fittings allowing self-service to clients.

Small retailer: Defined broadly as comprising any organization of one or more stores that is owned and operated by an individual or individuals whose scale of operation allows for close and continuous personal involvement in day-to-day operations at the retail level. This definition encompasses both township general dealers and Spaza Shops.



CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This research focuses on the impact of shopping mall developments on consumer behaviour in township areas; therefore it is imperative to understand the factors that influence consumer behaviour (discussed in the first section of the literature review) as well as the purchasing behaviour in low-income communities (discussed in the second section). Research on consumer behaviour in low-income areas indicates that the choice of the preferred supermarket is not a rational decision based only on pricing, but on a compromise of satisfying economic, social and psychological needs, in which the perception of being respected and recognised plays a major role (Alwitt, 1995).

The third section of the literature review discusses the impact of malls on consumer behaviour. The research took place in Gauteng, South Africa and therefore section three sets out the retail dynamics in South Africa; followed by the retail landscape in township areas. Terblanche (1998) discovered that large formal retail chains have targeted township areas as part of their renewed sustainable retail growth strategies, which is expanded upon in the section titled 'expansion of retail trade in township areas'.



2.2 Consumer Behaviour

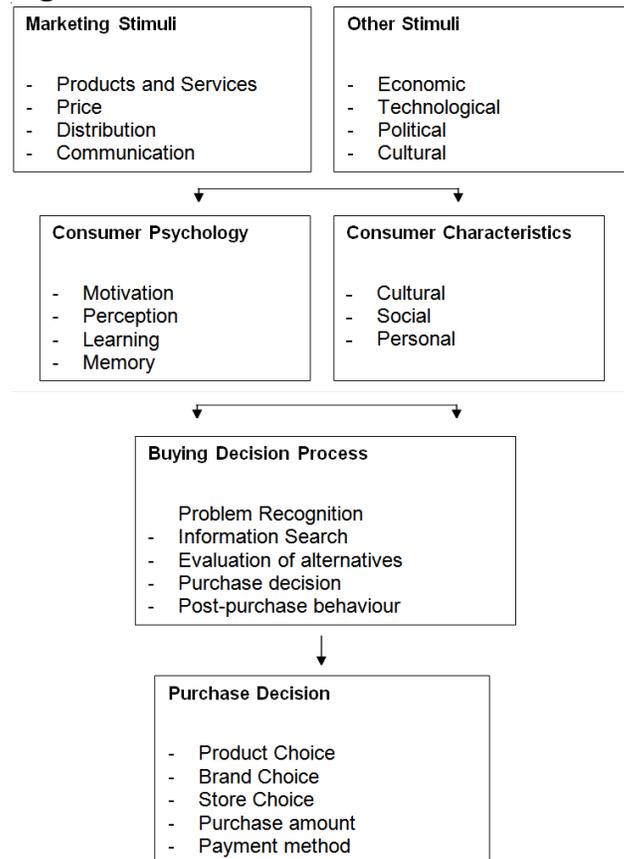
Walter's (1974) definition of a consumer is an individual who purchases and has the capacity to purchase goods and services offered for sale, in order to satisfy personal or household needs, wants or desires. Schiffman and Kanuk (1997, p. 649) defined consumer behaviour as the behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products, services and ideas. For purposes of this study, consumer behaviour therefore involves understanding what, why, where and how often consumers purchase. A consumer's buying behaviour is influenced by cultural, social and personal factors and according to Kotler and Keller (2009), with cultural factors having the broadest and deepest influence.

2.2.1 The Influence of Culture on Consumer Behaviour

Kohls (1984) defined culture as an integrated system of learned behaviour patterns that are characteristic of the members of any given society. It refers to the total way of life of particular groups of people, which includes everything that a group of people thinks, says, does, and makes. The objective of this study was to understand the influence of culture on consumer behaviour; therefore Schiffman and Kanuk's (1994) definition of culture is relevant; defining culture as the sum total of learned beliefs, values and customs that direct the consumer behaviour of a particular society. Culture influences consumer's behaviour since it affects the individual decision making process, the communication within a society and the specific products that consumers purchase (Engen, Blackwell & Miniard, 1995).

The study was focused on consumer behaviour and therefore it is essential to understand the key psychological processes that affect consumer behaviour, as seen in figure 2.1. “Marketing and environmental stimuli enter the consumer’s consciousness, and a set of psychological processes combine with certain consumer characteristics to result in decision processes and purchase decisions” (Kotler & Keller, 2009, p. 103).

Figure 2.1: Model of Consumer Behaviour



Source: Kotler and Keller, (2009, p. 103)

The study evaluated the impact of shopping mall developments on consumers in township areas, where predominately low-income consumers reside and therefore an understanding of low-income consumer behaviour is essential. The next section discusses low-income consumer behaviour and the attributes that influence the purchasing behaviour.

2.3 Low-Income Consumer Behaviour

2.3.1 Definition of Low-Income Consumers

Darley and Johnson (1995) defined low-income consumers as individuals whose financial resources or income results in them being unable to obtain the goods and services needed for an “adequate” and “socially acceptable” standard of living. Szmigin (2003) noted that consumers are expected to respond to the temptations of the marketplace by having the latest and the best consumer goods, however the poor, who are limited in their ability to respond to these temptations have been marginalised from mainstream society and described as “unwanted”, “abnormal” and “flawed consumers” (Bauman, 1998). Eighty 20 (2009) reported that almost three million South Africans lived on less than R5 per day, 9.5 million lived on less than R10 per day and 18.2 million lived on less than R20 a day in 2009. Chipp and Corder (2010) classified the BOP or poor in the LSM one to four groups and defined the South African adult population as households as well as individuals.



2.3.2. Purchasing Behaviour of Low Income Consumers

The Chipp and Corder (2009) South African (SA) pyramid indicated that there is collectivism rather than individualism at the lower levels of the SA Pyramid, which is a result of the scarcity of the rand, the irregularity of income and sometimes the absence of income. Any income received is therefore extended to cover every household member and to buy the most immediate and basic needs. BOP households in SA in 2005 spent 35% of their income on food, 10% on transport, 10% on clothing, 9% on furniture and 6% on recreation (which includes entertainment, health, alcohol, tobacco and savings (Eighty20 report, 2009).

The majority of low-income earners have daily fluctuating rather than constant monthly incomes, which makes it difficult for them to have high once-off payment for goods and services. High-income earners have access to credit therefore can exercise higher purchasing power (SandreGhazi, 2008). It is important to note that buying power of low-income consumers may be higher than traditional income measures portray because annual cash incomes are not always consistent with annual purchasing power (Alwitt & Donley, 1996).

Low-income consumers also often face stark and difficult trade-offs in the marketplace and the drive to better one's immediate life circumstances can have significant implications for products and consumption. According to Hart and London (2010), BOP consumers are sometimes willing to pay a little more for better products, such as purchasing higher quality rice, symbolic products or brands that the consumer is proud to own. Individuals living in poverty aspire to a better life beyond their current circumstances, which may take the form of owning certain products.



2.3.3 Price Sensitivity of Low-income Consumers

Prahalad and Hammond (2004) indicated that consumers in low-income markets are more likely to pay higher prices for basic goods and services as opposed to their counterparts in middle to high-income markets, a phenomenon termed the “poverty penalty” (SadreGhazi, 2008 p. 6). Consumers in these areas do not have access to big retailers and chain stores to perform comparative shopping due to high transport costs. “In fact, throughout the developing world, urban slum dwellers pay, for instance, between four and hundred times as much for drinking water as middle and upper class families” (Prahalad & Hammond, 2004 p.50). Prahalad and Hammond (2004) as well as Karnani (2005) recognized that the major part of the minimal incomes earned by low-income consumers is spent on essentials. This makes the consumer in this market acutely sensitive to price (Anderson & Billou, 2007).

2.3.4 Perception of Abundance in Low-income Consumers

Barki and Parente (2010) concluded that low-income consumers have a positive perception of abundance and are used to crowded atmospheres, such as commercial streets full of pedestrians. People crowding is perceived as evidence of liveliness and attractiveness and therefore, retail stores in low-income neighbourhoods present an environment where there is a large quantity of products and people.



Barki and Parente (2010) had the opinion that when a store is too clean and without many colours; low-income consumers do not feel attracted to the store. Supermarket consumer research conducted by Barki and Parente (2010) showed that the following characteristics appeal to low-income consumers:

- a high volume of products displayed conveys an image of a well-stocked store with competitive and low prices;
- a large amount of promotional products and colourful price offers; to satisfy the consumer's needs and search for low prices
- crowded aisles, which are a sign of an overstocked and busy store
- high-end facilities (such as marble floors) to satisfy aspirations

2.3.5 Low-Income Consumers attitudes to Brands

According to Kotler (2000); brands promise value to consumers and they attached psychological meanings to the brands. Brands give consumers unspoken quality guarantees, lower the costs of searching and can give prestige linked with the brand image (Webster, 2000). Williams and Hubbard (2001) showed that although consumers are happy to shop in discount stores, there are some who question the cheapness and value of the goods, and who are suspicious of the non-familiar brands sold in this type of store. Jha (2003) held a conflicting view that rural buyers are on average low on brand awareness and exposure as compared to their urban counterparts. However, this is changing with improved communication, more frequent contact with the urban world and improving literacy. Rather than names, the rural world still values logos, colours and memories for brand identification.



The low awareness and exposure is also linked with the supply side constraints, namely, poor physical availability of products, premium pricing, low merchandising and communication efforts on the part of the marketers (Jha, 2003). Aaker (1999) opined that brands benefit consumers by allowing them to be used for self-expression.

The section above demonstrated low-income consumer behaviour and the factors that influence it. The impact of malls and supermarkets on consumer behaviour is discussed in the next section

2.4 The Impact of Malls/Supermarkets on Consumer Behaviour

Mitchell and Kirkup (2003) argued that retail development is a stimulator in the regeneration of physically, socially and economically neglected areas in some parts of the UK's towns and cities. Their view was that retail development can contribute to a new social network, safer streets, lower crime rates, better housing, easier shopping access without the need for a car, and new wealth for local services. McIntosh (2002) concurred with this view that modern supermarket development can be a quality development, bringing improvements to landscaping, and this can contribute to an area being perceived differently.

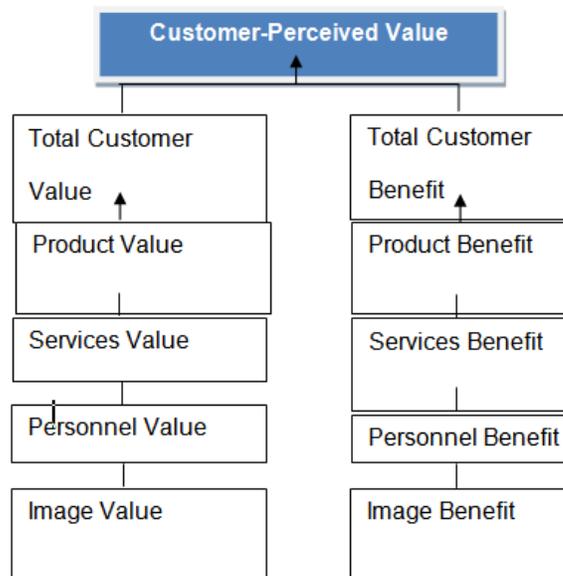
In addition, McIntosh (2002) stated that increased supermarket competition arising from new retail development within disadvantaged urban areas can lead to a reduction in the real price of food. Christensen, Craig and Hart (2001) conceptualised that the poor stand to benefit in several ways when large companies target them as consumers; such as access to new products, expanded choices and an increased purchasing power would improve their quality of life.

However,

“total customer value is the perceived monetary value of the bundle of economic, functional and psychological benefits customers expect from a given market offering because of the products, services, personnel and image involved” (Keller & Kotler, 2009, p. 82).

Figure 2.2 below shows total customer perceived value as the difference between the customer’s evaluation of all the benefits, all the costs of an offering and the perceived alternatives (Keller & Kotler, 2009).

Figure 2.2: Determinants of Customer-Perceived Value



Source: Keller and Kotler, 2009



2.4.1 Personal Benefit: Social Motives

Babin (1994) opined that a consumer may have shopping motives that influence shopping behaviour other than the acquisition of goods. These non-functional reasons for shopping include social motives, such as the desire to interact with salespeople and other shoppers and the chance of organised meeting with friends. There may also be more personal motives driving shopping behaviour, such as the desire to engage in some form of exercise or simply to get out of the house and seek diversion from other tasks. These tie in with the personal benefits recognised in the customer-perceived value model presented above.

2.4.2 Product Benefit: Product Quality and Variety

Leather (1992) viewed value-for-money, product quality and range as important attributes to consumers when choosing where to shop. For grocery shopping, people frequently travel greater distances to a shopping location (for example a supermarket or a collection of food retailers in a particular trading area) where there is a wider range of choice and that offers better value-for-money (Leather 1992). However, convenient location has been validated as an important determinant of shopping mall visit frequency (Severin, 2001). Wide selection and sales have also been found to have a significant impact on the choice of the shopping mall (Severin, 2001).

2.4.3 Image Benefit: Perception of inclusion into the middle class

Alwitt's (1995) view was that shopping malls give a perception of inclusion into middle class behaviour and thus people prefer shopping at the malls, even if the prices are equivalent to those found at small retailers. The choice of the preferred supermarket is thus not a rational decision based on pricing, but on a compromise of satisfying economic, social and psychological needs, in which the perception of being respected and recognised play a major role (Alwitt, 1995).

The section above indicated that consumers shop at malls or supermarkets for varying reasons such as value-for-money, product quality and range (Leather 2002) and social motives, such as the desire to interact with salespeople and friends (Babin, 1994). Alwitt (1995) observed that the perception of inclusion into middle class behaviour influenced peoples shopping behaviour. The retail dynamics in South Africa are discussed in the following section.

2.5 The Retail Environment in South Africa

The research is based on shopping mall developments in townships in Gauteng, South Africa; hence the sections below lay out the retail dynamics in the South African context. The South African retail environment can be divided into the formal retail sector and the informal retail sector; both discussed below.



2.5.1 Formal Retail Sector

The formal retail sector comprises of all retail businesses that are registered and pay taxes. The major players in the formal grocery retail sector are Pick 'n Pay, Shoprite Checkers and Spar. These are large retailers that anchor shopping malls and present competitive pressures on small retailers in townships. OK Bazaars introduced the concept of the supermarket into South Africa in 1948 (Strydom, 1989) and by 1999 the top five South African supermarket chains had a total of 1763 stores and a 72.1% market share (Tustin & Strydom, 2006).

Since 1994 these chains have expanded aggressively into Botswana, Namibia, Zimbabwe, Malawi, Mozambique, Kenya and other Southern and Eastern African countries. While the other chains have limited their expansion to southern Africa, Pick 'n Pay and Shoprite also have a presence in Australia and the Middle East. The six major chains are Shoprite, Pick' n Pay, Woolworths, Spar, Massmart and Metro Cash & Carry (Metcash); the last two performing both retail and wholesale functions (Planet Retail, 2006). Shoprite has over 1500 stores making it Africa's largest grocery chain (Shoprite, 2010).

Venter and Dhurup (2005) concluded that the retail industry was one of the largest sectors in the economy in South Africa and one of the toughest and most competitive industries. Due to intense competition from both domestic and foreign companies; formal large retail chains targeted township areas as part of their renewed sustainable retail growth strategies (Terblanche, 1998).



2.5.2 Informal Retail Sector

Lighthelm and Masuku (2003) described the informal retail industry of South Africa as comprising of the following:

- Spaza Shops, which are businesses operating in a section of an occupied residential home or any other structure on a stand, zoned or used for residential purposes and where people permanently live
- Hawkers or street vendors operated from a temporary or permanent structure on a street or at a taxi rank or train station
- Township general dealers are stand-alone businesses with a brick and mortar superstructure often located in a business area but may also be located in residential sections of townships. They carry a wider product range than Spazas and have more fixtures and fittings allowing self-service to clients
- Shebeens or informal liquor outlets
- Flea markets that consist of handmade arts and crafts

2.6 The Retail Dynamics in Township Areas

This research concerned itself with low-income communities and as such it is imperative to describe the retail dynamics in township areas. The section below describes the retail dynamics in Soweto, the largest township in South Africa; which can be closely compared to the retail dynamics in Alexandra Township.

Terblanche, (1991) conceptualised that high population growth, especially among the black population, required that 1,300 job opportunities must be created per day to meet the demand. It was the black population that was worst hit by unemployment and those unemployed had no option but to consider the informal sector for their livelihood. Many turned to hawking, whilst others opened Spaza Shops to earn a living. Spaza Shops played a prominent role in retail trade (Van Zyl & Lighthelm 1998). Van Zyl and Lighthelm (1998) revealed that the World Bank (1993) estimated that South Africa had as many as 66 000 Spazas in 1990, with an annual turnover in the range of R3 billion to R7 billion.

Lighthelm (2002) maintained that the Spaza retailers captured approximately 2.7% of retail trade, amounting to R7.4 billion in 2000. He adds that the importance of this market segment is highlighted by the fact that the turnover of Spaza retailers is larger than the combined turnover of the so-called branded supermarkets that include Kwikspar, 8 Till Late, Seven Eleven, Friendly Grocer, Foodies, OK Foods, Score, Rite Value, Shield and Sentra.

The turnover of Spaza retailers constituted just more than 20% of the combined turnover of hyper- and supermarkets, including Shoprite/Checkers, Pick 'n Pay, Spar, Clicks and Woolworths Food Stores (Lighthelm, 2002).

In South Africa, the limits on formal employment have led to an informal sector that has long been seen as survivalist (Rogerson, 1997). According to the FinMark Trust (2006); an estimated 355000 home based enterprises (HBEs) are active in the townships and inner cities across South Africa, comprising about 13% of the total population of these areas, and generating about R476 million a month. HBEs operate in residential areas, enhancing access to services and products by low-income households and contributing to the development of sustainable human settlements. HBEs account for about 70% of all SMME's in townships and inner cities. In this way, the home is the incubator for SMME growth, reducing costs and risks to the entrepreneur in the development of their business. Whether as incubators for growing SMMEs or as survivalist ventures for the unemployed, HBEs and small-scale landlords are an example of grass-roots approach to build the economy while sustaining the lives of the most poor (FinMark Trust, 2006).

While most of these businesses can be classified as micro or small, they represent the sole income for many of their owners. Lighthelm (2007) estimated that Spaza Shops and hawkers provided employment for close to 750, 000 people in 2004. Lingthelm (2007) highlighted that the majority of township workers were involved in economic activities outside of the townships resulting in most of their shopping being undertaken in the main city centres or at shopping malls on the fringes of townships.

In a study commissioned by the City of Johannesburg in 2004, it was found that Soweto households spent only 25 % of their retail expenditure at outlets located within Soweto. The balance was spent largely in other City of Johannesburg centres with Southgate and the Johannesburg CBD predominating. Southgate was the primary regional shopping centre used by Sowetans.

The above section indicated that the retail dynamics in township areas primarily consisted of the informal sector, namely Spaza Shops; hawkers, township general dealers and home-based enterprises (Van Zyl & Lighthelm, 1998; FinMark Trust, 2006). These businesses are often the only source of income for the owners and have the potential to develop the economy (FinMark Trust, 2006). The retail spend in township areas is distributed amongst local informal businesses and shopping malls in the closest city (City of Johannesburg, 2005). Terblanche (1998) stated that large retail chains targeted township areas as part of their retail growth strategies which is discussed in the following section.

2.7 Expansion of Retail Chains into the Township

The results of two studies; the Soweto Retail Strategy (2005) and the Soweto Investment Framework both commissioned by the City of Johannesburg revealed that Soweto's retail spending power was above R4.2bn annually, but that only R1.05bn was being spent in the township (City Of Johannesburg, 2005). This evoked a lot of interest and involvement from developers, retailers and investors to enter the untapped township retail area.

The contributing factors to this interest were the emergence of the middle class, particularly those residing in Soweto, as well as the saturation of the Johannesburg retail market in regions such as Fourways, Sandton and the CBD (Tustin & Strydom, 2006). This spurred the creation of larger scale shopping centres in Soweto, such as Protea Glen, followed by Jabulani Mall and the Maponya Mall (Hlengani, 2007) and past shopping behaviour trends of township dwellers to shop outside the township are bound to change (Tustin, 2004).

Futuregrowth's community property fund, which is a R3.5 billion fund with 27 retail properties in eight of the nine provinces, concentrates on servicing areas that have no access to retail offerings and is more focused on providing these centres in rural and township areas. (Futuregrowth, 2009). The fund developed Diepsloot Mall which is currently the only formal retail offering in Diepsloot. Diepsloot is a post-Apartheid low-income settlement established in 1994, initially to accommodate people relocated from various informal settlements in the broader area. The retail environment in Diepsloot previously only consisted of Spaza Shops and street hawkers (Futuregrowth, 2009).

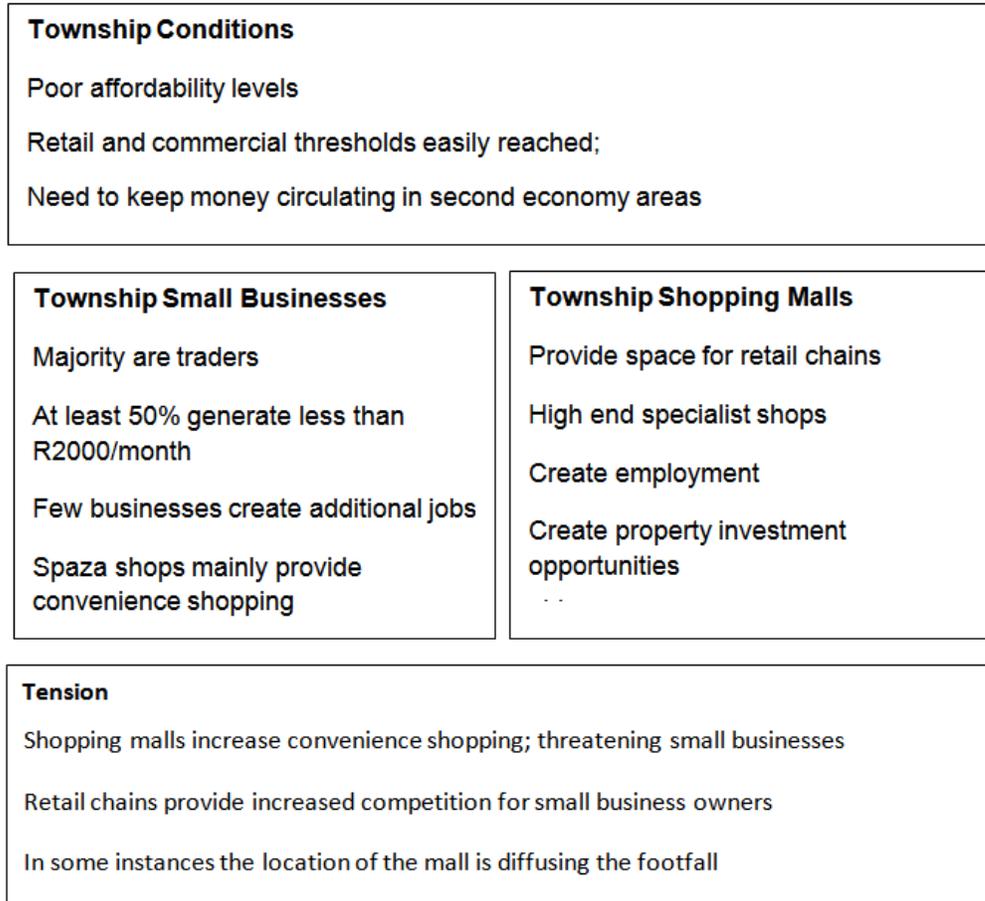
The Pan Africa Shopping Centre was developed in Alexandra Township in May 2009 as part of the Presidential Alexandra Renewal Project, aimed at improving living conditions and upgrading human capacity, including environmental development, human skills, housing and infrastructure programmes. Pan Africa Shopping Centre is the first fully-integrated shopping mall in Alexandra Township which has a Pick n Pay, clothing retailers such as Exact, John Craig, Skipper Bar and Legit; a pharmacy, a post office, banks, furniture stores and cellular operators, amongst many others. (Gauteng Economic Development Agency, 2009) .

Moore (2006) supported the need for business to look at the BOP market and deliver goods and services that are of value to the BOP. In doing so, companies will find new profitable markets which will increase both the value of the companies and the lives of the customers they serve.

According to the Unilever Institute study (2009), the expansion of retail stores into township areas is at the expense of informal traders. The study found that low-income consumers preferred the value and choice offered by big chains against the convenience of the corner store. Ligthelm (2006) suggested that the development of shopping malls has resulted in increased competition for small township businesses with a potential risk of considerable consumer expenditure displacement away from them to national chains and franchise businesses in the new shopping malls.

The figure 2.3 sets out the potential impact of shopping mall developments on the retail environment in township areas:

Figure 2.3: Potential Impact of shopping mall developments on retail environment in township areas



Source: Demacon Market Studies

D'Haese and Van Huylenbroeck (2009) explored the effect of supermarkets on expenditure patterns in two villages in the Transkei area of South Africa. They found that since the opening of supermarkets in the nearby town, the communities patronised these more and farmers than local shops. The lower food prices meant improved livelihoods and food security, but the downside was that the local shops and farmers were no longer able to compete. Supermarkets shifted costs to producers by insisting that the latter undertake value-adding processes such as packaging and bar coding, which require capital investments and expensive compliance with quality standards and therefore acted as an entry barrier to small-scale producers.

2.8 Conclusion

The objective of the study was to evaluate the impact of shopping mall developments on consumer behaviour in township areas, hence the literature begun by defining consumer behaviour and the attributes that influence consumer behaviour. Further literature was presented to describe the factors that influence low-income consumer behaviour, which include, but are not limited to, price-sensitivity of consumers, social motives to shopping, perception of abundance and their attitude to brands. In order to understand the context of the retail environment in South Africa, this section presented the formal and informal retail sector as well the expansion of retail chains into township areas. The following section contains the research propositions which aim is to evaluate the impact of shopping mall development on consumer behaviour in township areas.

CHAPTER 3: RESEARCH PROPOSITIONS

The key research propositions that were identified from the literature review have been divided into the following themes: Location, Price Sensitivity, Product Offering, Perception of Abundance and Social and Aspirational attributes.

RESEARCH PROPOSITION 1: LOCATION

Proposition 1.1: Shoppers tend to shop at the nearest available outlet (Bromley & Thomas, 1995)

Proposition 1.2: Consumers frequently shop at Pan Africa Shopping Centre due to its convenient location (Severin, 2001).

RESEARCH PROPOSITION 2: PRICE SENSITIVITY

Proposition 2.1: Low-income consumers shop where they can find the lowest prices (Anderson & Billou, 2007).

Proposition 2.2: Consumers shop where they can find bargains; sales and promotional products (Leather, 1992).

Proposition 2.3: The prices offered by Pan Africa Shopping Centre have resulted in reduced spending at small retailers (hawkers or Spaza Shops) by Alexandra consumers (D'Haese & Van Huylenbroeck, 2005).

RESEARCH PROPOSITION 3: PRODUCT OFFERING

Proposition 3.1: Consumers prefer to shop at Pan Africa Shopping Centre because of the wide selection of products (Leather, 1992).



Proposition 3.2: Consumers prefer to shop at Fair Park Shopping Centre as they perceive better quality products and value-for-money at malls (Leather, 1992).

RESEARCH PROPOSITION 4: PERCEPTION OF ABUNDANCE

Proposition 4.1: People shop at shopping malls because of the overcrowding of people, which is a perception of abundance (Barki & Parente, 2010).

Proposition 4.2: People shop at shopping malls because of the crowded aisles; which are a sign of an overstocked and busy store (Barki & Parente, 2010).

RESEARCH PROPOSITION 5: SOCIAL AND ASPIRATIONAL ATTRIBUTES

Proposition 5.1: People shop at malls because of social motives and the chance of meeting their friends (Babin, 1994).

Proposition 5.2: Low-income consumers shop at malls because of the perception of inclusion into middle class (Alwitt, 1995)

Proposition 5.3: Low-income consumers shop at malls because of the high-end facilities in the mall, for example air-conditioning, security and tiled floors (Barki & Parente, 2010).

RESEARCH PROPOSITION 6: CHANGE IN CONSUMER BEHAVIOUR IMPACTS SMALL RETAILERS

Proposition 6.1: Selling to the poor may not eradicate poverty; instead it will negatively impact small businesses and threaten local jobs and incomes generated from local businesses (Warnholz, 2007).

CHAPTER 4: RESEARCH METHODOLOGY

The following chapter presents the research philosophy, approach, design, population, sample selection and data collection tools that were used to address the research problem as outlined in Chapter One.

4.1 Research Design

A two part mixed methodology, which employed both qualitative and quantitative methods, was adopted. Part one involved semi-structured expert interviews which allowed respondents to speak freely about their understanding of purchasing behaviour in township areas, as well as the potential impact of shopping mall developments. Part Two was a quantitative study to test theoretical predictions with precise measures of variables (Tharenou, Donohue & Cooper, 2007). The variables were drawn from the propositions stated in Chapter Three of the study.

4.2 Qualitative Research

Zikmund (2003) explained that exploratory research is initial research conducted to clarify and define the nature of the problem. Therefore Part one was exploratory research intended to explore the nature of consumer behaviour in township areas and the potential impact of shopping mall developments.

4.2.1 Unit of Analysis

The unit of analysis in this study consisted of individuals who have expertise in low-income consumer behaviour or have experienced retail management in township areas. This includes retail managers of formal retail chains in township areas; Spaza Shop owners and retail developers of shopping malls that form part of the identified population.

4.2.2 Population

Zikmund (2003) described the need to select the appropriate target population in order to ensure that the data collected is from the correct source. The target population was defined as retail owners in Alexandra townships as well as individuals with retail knowledge in township areas. The retail environment in Alexandra Township includes bakeries, Spaza Shops, shebeens and supermarkets; as such the owners of these businesses were included in the target population as they have experience with Alexandra consumer behaviour.

4.2.3 Sampling Method

The experts were chosen on availability and constituted a convenience sample within the defined group. Convenience sampling is a non-probability method used in exploratory research where the researcher is interested in getting an inexpensive approximation of the truth during preliminary research (Zikmund, 2003). The sample frame included a representative of the Consumer Goods Council, retail developers of shopping malls, retail managers in large retailers in township areas and small retail owners in Alexandra Township.

4.2.4 Sample Size

Ten semi-structured interviews were conducted with retail experts as De Ruyter and Scholl (1998) indicated that between 10 and 60 respondents are required for a qualitative research study.

4.2.5 Data Collection Process

Semi-structured Interviews

Part one involved semi-structured interviews with retail experts. The semi-structured interviews allowed respondents to speak freely about their understanding of purchasing behaviour in township areas, as well as the potential impact of shopping mall developments. King (1994) viewed interviews as appropriate when the researcher aims to see the topic from the perspective of the interviewee and to evaluate how or why the interviewee reached that perspective.

4.2.6 Questionnaire Design

Semi-structured interview questionnaire design

A questionnaire was designed with four semi-structured questions. The four questions probed the respondents on their opinion of consumer behaviour in township areas, as well as identified the key factors that impact that behaviour. The questions were aimed at encouraging storytelling and invited the interviewee to tell the story of their experience on the subject matter (Perry, 2001, p. 311).



4.2.7 Data Recording and Analysis Approach

Data recording

Data was recorded during interviews using a tape recorder machine, notepad and questionnaire forms. Key concepts were recorded on the note pad and recordings of the interview were played back to the respondent to ensure accurate recording of data.

Data analysis process on semi-structured interview open-ended questions

Similar responses from respondents were categorised for all the interviews conducted. This included key concepts on the respondents' view of consumer behaviour in township areas, as well as the factors that influence consumer behaviour.

Zikmund (2003) observed that exploratory research does not provide conclusive evidence, and thus subsequent research is required, which was conducted in Part two of the research. Part two was a quantitative study of consumer behaviour in township areas, as well as looked at the potential impact of the Pan Africa shopping mall on consumer behaviour in Alexandra Township.



4.3 Quantitative Research.

Part Two was a quantitative study to test theoretical predictions with precise measures of variables (Tharenou, Donohue & Cooper, 2007). Descriptive research was used to investigate the impact of shopping mall developments on low-income consumer behaviour in township areas. Descriptive research aims to describe the characteristics of a population and is based on known knowledge of the subject matter (Zikmund, 2003). Insight into the subject matter was gained in part one of the research. Quantitative approaches, such as surveys of individual responses, were used as they are often more practical in terms of time and cost (Wreathall, 1995). Likert-scale type questions were asked about the variables that were identified in the literature review.

4.3.1 Unit of Analysis

The unit of analysis was the primary retail shopper in a household that forms part of the identified population. The objective of the research was to establish the impact of shopping mall developments on consumer behaviour in township areas; therefore an interviewer-administered questionnaire was conducted with the primary retail shopper in a household.

4.3.2 Population

Blaikie (2004, p.160) explained that, “In order to apply a sampling technique, it is necessary to define the population (also called the target population, universe or sampling frame) from which the sample is drawn.”

A population can be defined as a complete group of entities (as in people, companies, stores etc) that share a common set of characteristics (Zikmund, 2003). The target population was defined as primary retail shoppers in township areas.

4.3.3 Sampling Method

A sample is a selection of elements from a population that is used to make statements about the whole population (Blaikie, 2004). "The ideal sample is one that provides a perfect representation of a population, with all relevant features of a population included in the sample in the same proportions. This is ideal, however difficult to achieve in practice (Blaikie, 2004, p.161). Therefore the study was limited to geographical areas of Gauteng Alexandra Township as a matter of convenience. Alexandra Township is located in the North Eastern suburbs of Johannesburg and while many townships are huge and located far from urban centres, Alexandra is just over 7.6 square kilometres away from urban centres.

The study employed systematic sampling, which is a methodology in which an initial starting point is randomly selected then every n th number is systematically selected (Zikmund, 2003). A single point on the boundary of the locality was randomly chosen then in a clockwise direction around the boundary, thirty starting points were selected. At each of the starting points, interviews were conducted; thereafter every fourth household within the locality on the left hand side of the pathway or road was approached. In the event that the household failed to have a shopper defined in the population, the next house on the left was approached.

4.3.4 Sample Size

Zikmund (2003) prescribed the following three factors in determining sample size:

1. Variance or heterogeneity of the population which is an estimate for the standard deviation of the population,
2. Magnitude of acceptable error and
3. Confidence Level

A sample size of 120 was used, which resulted in a 90% confidence level. This was considered sufficient for generalising the findings to the rest of the population. There were obvious limitations to the generalisability in that the population was confined to Gauteng Province. However, Alexandra Township is representative of the townships you find in South Africa, therefore resulting in similar consumer behaviour patterns.

4.3.5 Data Collection Process

Interview-administered questionnaires

Part two followed a descriptive survey that consisted of obtaining primary data through interviewer-administered questionnaires. Zikmund (2003, p.175) defined surveys as a “method of gathering primary data based on communication with a representative sample of individuals”. The survey approach enabled the researcher to generate findings that are representative of the population at a lower cost rather than conducting a census.

Interviewer-administered questionnaires were chosen because the interviewer plays a critical role in the perceptual process whereas the onus of perception is on the respondent in a self-administered format (Jenkins & Dillman, 1995). Interviewers were conversant in English and the common local languages in the sample area. Each interviewer was trained regarding the context of the survey and in administering the questionnaire.

The nature of the primary data collected enabled statistical analysis to evaluate the relationships between the dependent and independent variables. The independent variables, namely location, price sensitivity, product range, perception of abundance and social and aspirational values were tested to evaluate their impact on the propensity for consumers to shop at Pan Africa Shopping Centre. The dependent variables tested against were the propensity to shop at Pan Africa Shopping Centre and frequency of shopping at the shopping centre.

4.3.6 Questionnaire Design

The questionnaire instrument used was constructed from area review of the subject areas literature. A questionnaire is relevant if no unnecessary information is collected and if the information needed to elaborate on the problem is obtained.



Design of Likert-scaled questions

Six propositions were formulated as indicated in Chapter Two. These propositions were based on the variables identified in the literature review. Statements relating to each proposition were formulated to measure a respondent's attitude towards the proposition. Likert-scale ratings were allocated to each statement in the questionnaire, where respondents were asked to rate each statement ranging from 1 = strongly disagree to 5 = strongly agree. The function of an attitude scale is to locate an individual's position on a continuum (Zikmund, 2003). A weighting score was attached to each response for the purposes of data analysis and measurement of attitudes.

Design of list-question

Two questions related to the dependant variables; the propensity to shop at Pan Africa Shopping Centre and frequency of shopping at the Shopping Centre. A weighting score was attached to each response for the purposes of data analysis and measurement of attitudes.

4.3.7 Expected Response Bias Errors

Response bias errors in the form of social desirability were be expected (Zikmund, 2003, p.177). Social desirability error or response is the tendency for a respondent to choose the socially desirable response whether true or not. The respondent wishes to represent himself or herself in a favourable light, no matter what they actually feel about an issue or topic and this would contaminate any results obtained (Richman, Kiesler, Weisband & Drasgow, 1999).

Social desirability errors were expected because consumers might respond to shop at malls because of the aspirational values; which might not be a true reflection of their shopping behaviour.

4.3.8 Data Analysis Approach

Data analysis included data management prior to data entry. Data was cleaned and checked to ensure suitability prior to entry. Responses were coded onto a single coding sheet and the occurrences per Likert scale category were recorded. The data obtained from the survey was analysed using descriptive statistics such as frequency tables, quadrants analysis and box-and-whisker plots (Babbie, 2005). The ordinal data (Likert-scaled responses) was analyzed using the frequencies and the mean values as measures of centre. The range (minimum and maximum values) and the standard deviation was calculated as measures of spread. The ordinal data was then ranked from the highest mean value to the lowest mean value. For occurrences where two or more mean values were similar, the proposition with the lowest standard deviation was ranked higher than a proposition with a lower standard deviation. The standard deviation provided insight into the spread of responses from the target population with respect to the same proposition.



4.4 Limitations of the Study

The following limitations were expected in the study:

- The chosen sample may not be representative of the population due to the systematic sampling technique which excluded informal settlements in Alexandra Township
- The situation in Alexandra Township cannot automatically be extended to other townships due to differences in location, local cultures and economics.
- Non-response error due to experts refusing to participate in the study.
- Restricting the population to Alexandra Township limited the projection of data beyond this population (Zikmund, 2003).
- The ability of the interviewer to ensure that the interviewee understood the questions and that the resulting responses were valid.

CHAPTER 5: RESULTS

A two part mixed methodology, which employed both qualitative and quantitative methods, was adopted. The results are presented in two parts; Part one: Qualitative Results and Part two: Quantitative Results.

5.1 Part One: Qualitative Results

5.1.1 Results of the sample frame

Part one involved six semi-structured interviews with retail experts about the retail environment in township areas as well as the factors that influence low-income consumer behaviour. This represents a 60% response rate as ten retail experts were identified for semi-structured interviews. The respondents included a representative of Consumer Goods Council; the CEO of a retail development company; a director of a large clothing retailer that has stores in township areas; a manager of a large food retailer in township areas and the owner of a bakery in Alexandra Township.

5.1.2 Results of the semi-structured interviews with retail experts

The questionnaire consisted of four semi-structured questions aimed at achieving “story telling; which invited the interviewee to tell the story of their experience on the subject matter” (Perry, 2001, p. 311). The results are presented according to a review of emerging themes.



The Influence of Culture on Consumer Behaviour

Emerging from the expert interviews was the opinion that the difference between consumer behaviour in black people and white people is culture and not necessarily race. “Black and white people were brought up differently and therefore respond differently to different things”. For example, coffee shops are not a black culture and therefore are not successful in township areas; which is why Mugg and Bean recently closed down in Maponya Mall, Soweto. Another example is demonstrated by the incorporation of a Bow Hunting shop in Grey Owl Village, a shopping centre in Centurion, which, as expressed by the CEO of the retail development company, would not succeed in the township areas. This is because hunting is not a “hobby” in the black culture.

A restaurateur in Alexandra Township made us aware that takeaways are not a norm in the black culture and township outlets charge between R6.00 and R25.00 for a plate of food with rice, pap, dumplings or ting (savory porridge), chicken, mutton or beef, and a variety of vegetables. Roasted and boiled maize and mealies sell at street corners, taxi ranks and train stations for between R2.00 and R5.00 per corn on the cob. Food outlets that are commonly known as chisa-nyama (loosely translated as “braai the meat”) are frequented by doctors, teachers, taxi drivers, office workers, construction workers and the police.

A number of these “chisa-nyama” outlets operate from pavements, parking areas of shopping centres and taxi and bus ranks. KFC, Nando’s, Chicken Licken, McDonalds and the many other chicken franchises constantly strive to offer meal combinations at affordable prices. For example, Chicken Licken and KFC have inexpensive offerings such as “Taxi” and “Streetwise” respectively.

Brand Perception in Low-Income Communities

A common notion in the expert interviews was that premium brands function as symbols of higher status for those seen purchasing and utilizing them. The concept of buying “international brands” or “imports” is revered in many African communities and brands from other countries, especially those from the US and the UK, are perceived to be of greater quality than local brands. “Black people are generally more fashion conscious and quality conscious than white people”, said a retail expert. “The youth argue that they buy exclusive ranges in order to be admired by their peers”. Brand perception also extends to the packaging, where consumers in township areas will hold a branded package when shopping, even if they have not bought items from that store on that particular day. For example, a Fabiani package is preferred to a “Checkers” or non-branded package.

In the food retail sector, anything with an unknown brand is seen as a “cheap line” therefore no-name brands are not displayed or placed on the table for all to see. A no-name brand product is usually decanted into containers to ensure that visitors cannot make a direct association with an “inferior-quality” product. Pensioners and other low-income earners know that the money they spend on any product or brand has to be well spent, therefore they prefer to buy trusted well-known brands.



The Influence of Location on Consumer Behaviour

“Consumers are willing to use public transport to shop in areas which are suited to their needs or cater for their social and perception attributes” said the retail director of a large clothing retailer. He mentioned that “people will do whatever is necessary to satisfy their needs”, for example, they would rather get a lift to Sandton City rather than shop at Pan Africa Shopping Centre if it doesn’t cater for their needs. The location of the shopping mall development is a critical success factor in township areas said a retail developer that was interviewed. He noted that accessing shopping malls in township areas should not require one to use public transport to get to the mall because the consumer would rather use their taxi fare for a taxi to Sandton City, rather than pay to go to Pan Africa Shopping Mall. Interviews also revealed that consumers in township areas are competitive and since they use clothing as an extension of their need to be unique, stylish and seen as above the rest; the closeness of Pan Africa Shopping Centre to their friends and neighbours may deter them from purchasing clothing from that shopping centre.

The Influence of Price on Consumer Behaviour

The consensus in the expert interviews was that shopping mall developments in low-income communities result in price advantages for consumers due to consistent pricing principles from larger retailers in shopping malls. Large retailers such as Pick n’ Pay are forced to charge consistent prices and these will be lower than those offered by small retailers in the area due to supply chain benefits and multiple distribution channels. “Spaza Shops and small retailers in township areas purchase stock from bulk retailers such as ‘Jumbo’, and then add a mark-up on the goods in order to achieve a profit, which results in higher prices.



Spaza Shops have been negatively impacted by the development of Pan Africa Shopping Centre as their product prices are higher than those offered at Pick n' Pay. The owner of a bakery in Alexandra Township gave us a different perspective. She bakes bread and sells it at a price that is cheaper than Pick n' Pay. Bread at the bakery is sold for R5 whereas Pick n' Pay sells it for R5.50; therefore the development of Pan Africa Shopping centre has not negatively impacted this bakery. The bakery also makes sure that the weight of the bread is comparative to that offered at Pick n' Pay, therefore not compromising the quality offered to the customer.

The Influence of Product Offering on Consumer Behaviour

The results of the interviews are presented according to the influence of the variety of products as well the quality of the products on consumer behaviour.

Variety of products

“Alexandra consumers can now buy groceries from Pick n' Pay, airtime from the MTN shop next to Pick n' Pay as well hair pieces from the hair shop in one trip to Pan Africa Shopping Centre” said the retail expert. They can choose between eating fish and chips, KFC or MacDonald, all retailing at Pan Africa Shopping Centre.

The product offering in large food retailers in township malls, such as Pick n' Pay in Pan Africa Shopping mall, is customized to the consumer's needs. For instance “in Alexandra Township, we do not stock products such as HTH or cat food as Alexandra residents do not have pools, neither do they keep cats as pets”, said the manager at large food retailer in Pan Africa Shopping Centre.

Products that are environmentally friendly, e.g. green products are not available in Pan Africa Shopping Centre because they are more expensive, therefore not affordable to the Alexandra resident. A director of a large clothing retailer agreed with the affordability principle, stating that “the differentiating factor in the market and product offering should be income, rather than race”. His opinion is that a reduced disposable income persuades people to buy perishable products and necessities (for example pap or bread) instead of luxury items (such as biscuits or fish).

Quality of products

The product offering in township areas tends to be less healthy than that in urban areas as healthy products tend to be more expensive. “Shops in township areas will offer Nestle chocolate instead of dark chocolate and there will be lots of fish oil offered instead of olive oil”.

A viewpoint expressed was that shopping centre developments in township areas tend to provide a tenant mix which they perceive to be suited to low-income consumers. “Retailers should not only sell what they think the market can afford, but should seek to understand what the market wants”.

Perception of Abundance

The expert interviews indicated that consumers in Alexandra shopping centre prefer a clean shop that is not too full, “which is why they prefer to shop at Pick n Pay rather than Checkers”. The store layout in Pick n’ Pay has more spaces in the aisles, which is contradictory to Bharki and Parente’s (2010) view that lower income consumers desire overcrowding as a perception of abundance in the store.



Social and Aspirational Attributes

“People literally dress up to go shopping and see it as an outing” said one of the respondents. People in low-income communities have social aspirations of a middle or high income lifestyle and therefore would prefer to be seen in Sandton City, Melrose Arch and urban shopping malls rather than Pan Africa Shopping Centre. The CEO of a retail development company indicated that consumers always ‘shop up’, for instance they tend to shop in the mall that is above their current status or income potential. “The poorest guy also prefers to shop in the best looking mall so the design of the mall is critical even in the township areas”.

5.2 Part 2: Quantitative Results

Part two was a quantitative study to test theoretical predictions with precise measures of variables (Tharenou, Donohue & Cooper, 2007). The objective of the research was to establish the impact of shopping mall developments on consumer behaviour in township areas; therefore interviewer-administered questionnaires were conducted with the retail shopper in the household. The nature of the primary data collected enabled statistical analysis to evaluate the relationships, between the dependent and independent variables. The independent variables are defined as the six research propositions defined in chapter two, namely: Location (Proposition 1); Price Sensitivity (Proposition 2); Product Offering (Proposition 3), Perception of Abundance (Proposition 4) and Social and Aspirational attributes (Proposition 5). These variables were tested to evaluate their impact on the dependent variables which are; the propensity to shop at Pan Africa Shopping Centre and the frequency of shopping.



5.2.1 Results of sampling frame demographics

Figure 5.1 shows the breakdown of respondents by age group. The demographics of the sample population consisted of 26% in the age range of 34 – 42 years and 25% in the age range of 43 – 51 years. Therefore the retail consumers interviewed were predominately in the age range of 34 – 51 years.

Figure 5.1: Sample Age Graphs

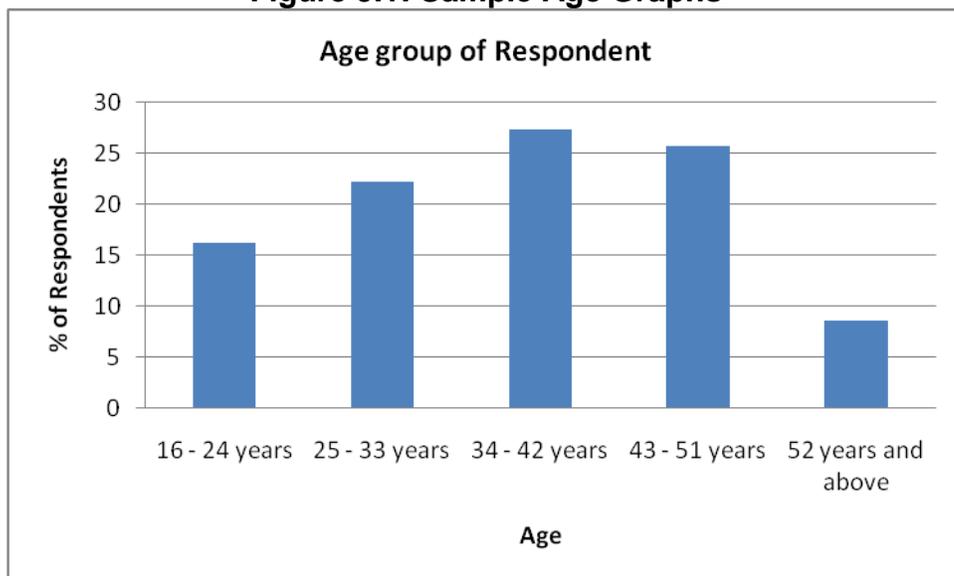
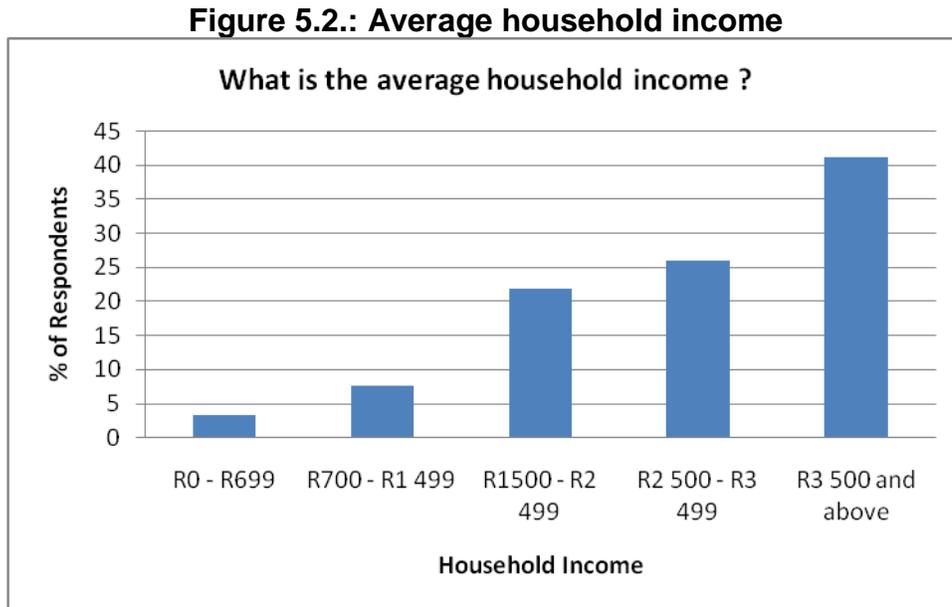


Figure 5.2 shows the percentage of respondents by household income. The average household income for the sample was in the range of 2500-3500, whilst 40% of the sample earned above R3500. Two respondents did not reveal which income bracket they fell into.



5.2.2 Reliability of ordinal scale

A Cronbach's alpha test was performed for each proposition. Cronbach's alpha is the most common measure of internal consistency to check the reliability of an ordinal scale. It is most commonly used when you have multiple Likert questions in a survey or questionnaire that form a scale and you wish to determine if the scale is reliable (Saunders et al., 2009).

The questions relating to Proposition 1: Location; Proposition 2: Price Sensitivity and Proposition 5: Social & Aspirational attributes all resulted in a Cronbach's alpha above 0.5 which was considered an acceptable level of internal consistency for the scale (see table 5.1).

The questions relating to Proposition 3: Perception of Product Offering and Proposition 4: Perception of abundance resulted in a Cronbach's alpha below 0.5 which was considered an unacceptable level of internal consistency for the scale (see table 5.1) and thus a detailed variable analysis to determine the variable to be excluded was carried out.

Table 5.1: Summary of Reliability Statistics

Propositions		Cronbach's alpha	N. of Items	Internal Consistency
1	Location	0.61	6	Good
2	Price Sensitivity	0.59	5	Acceptable
3	Product Offering	0.15	5	Unacceptable
4	Perception of Abundance	0.44	4	Unacceptable
5	Social & Aspirational attributes	0.85	3	Good
6	Impact on small retailers	0.74	5	Good

The detailed variable analysis performed on the 'product offering' scale suggested that Question 16 be removed (table 5.2). Question 16 was removed from the scale, thereby improving the 'product offering' scales Cronbach to 0.623 which was considered acceptable.



Table 5.2: Product offering from Total Stations

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if item deleted
Q13 I prefer to shop for groceries where I can find a wide range of products	15.25	3.081	.277	-.098(a)
Q14 I prefer to shop for clothing where I can find a wide variety of clothing	15.40	2.670	.348	-.235(a)
Q15 A shopping centre offers me the most variety when compared to a Spaza Shops, hawkers or street vendors	15.42	2.479	.442	-.365(a)
Q16 The variety of products offered by a Spaza Shops, hawkers or street vendors is suitable for my needs	16.57	5.230	-.399	.623
Q17 The products offered by Spaza Shops, hawkers or street vendors are of low quality	15.81	3.694	.010	.177



The detailed variable analysis performed on the 'perception of abundance' scale suggested that Question 21 be removed (table 5.3). Question 21 was removed from the scale; thereby improving the 'perception of abundance' internal consistency to a 0.533 Cronbach which was considered acceptable for the purposes of this study.

Table 5.3: Perception of Abundance Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q18 I prefer to shop at a shopping centre or mall because of the overcrowding of people in the mall	11.93	2.795	.463	.095
Q19 I prefer to shop at a shopping centre or mall because of the crowded aisles	11.75	2.867	.430	.139
Q20 I prefer to shop at a shopping centre or mall because of the high volume of products	10.73	4.789	.084	.502
Q21 I prefer to shop at a shopping centre or mall because of the large variety of shops	10.61	4.987	.038	.533

5.2.3 Results on Likert-scaled questions on stated propositions

Statements relating to each proposition were formulated to measure a respondent's attitude towards the proposition. Likert-scale ratings were allocated to each statement in the questionnaire, where respondents were asked to rate each statement ranging from 1 = strongly disagree to 5 = strongly agree. A weighting score was attached to each response for the purposes of data analysis and measurement of attitudes. The results are presented according to propositions followed by a summarised view of the results.

Research Proposition 1: The influence of location on consumer behaviour

Proposition 1.1: Shoppers tend to shop at the nearest available outlet (Bromley & Thomas, 1995)

Proposition 1.2: Consumers frequently shop at Pan Africa Shopping Centre due to its convenient location (Severin, 2001).

Location descriptive statistics were conducted to indicate the means of the difference statements (see table 5.4). The mean of the scale is 3. T-tests were conducted between the means on the variables and the mean of the scale, which is 3. The results are shown below. All the location propositions except "I prefer to buy groceries at the Spaza Shop closest to my home" are significantly higher than the scale mean since the p-values for the t-test are less than 0.05. This implies that these location statements are related to purchasing behaviour.



Table 5.11 Descriptive Statistics

				t-test against the Mean of scale = 3	
	N	Mean	Std. Deviation	t-value	p-value
Q2 I prefer to buy groceries/clothing at the shopping centre closest to my home	120	4.25	0.583	23.472	0.000
Q4 I prefer to shop at Pan Africa Shopping Centre rather than Sandton City Mall because it is closer to my home	119	4.06	0.857	13.484	0.000
Q6 I used to buy clothing at Sandton City Mall before the opening of Pan Africa Shopping Centre	119	3.93	0.890	11.433	0.000
Q5 I prefer to buy clothing at Pan Africa Shopping centre because it is closer to my home than Sandton City Mall	117	3.93	0.944	10.671	0.000
Q7 I used to buy groceries at Sandton City Mall before the opening of Pan Africa Shopping Centre	119	3.70	1.147	6.636	0.000
Q3 I prefer to buy groceries at the Spaza Shop closest to my home	120	3.18	1.283	1.565	0.120

Research Proposition 2: The influence of price sensitivity on consumer behaviour

Proposition 2.1: Low-income consumers shop where they can find the lowest prices (Anderson & Billou, 2007).

Proposition 2.2: Consumers shop where they can find bargains; sales and promotional products (Leather, 1992).

Proposition 2.3: The prices offered by Pan Africa Shopping Centre has resulted in decreasing spending at small retailers; hawkers or Spaza Shops by Alexandra consumers (D'Haese & Van Huylenbroeck, 2005).

Price sensitivity descriptive statistics were conducted to indicate the means of the difference statements. Results presented in Table 5.5 indicated that all price sensitivity statements have means which are significantly higher than the scale mean since the p-values for the T-test are less than 0.05. This implies that the respondents agree that all price sensitivity statements are related to purchasing behaviour.



Table 5.11 Descriptive Statistics

	N	Mean	Std. Deviation	T- Test against the Mean of scale = 3	
				T-value	P-value
Q9 I prefer to shop where I find the best bargains, sales and promotional products	121	4.37	0.732	20.622	0.000
Q8 I prefer to shop at the shop that offers me the lowest prices	120	4.29	0.749	18.887	0.000
Q10 I prefer to shop at shopping centres or malls because they offer me the lowest prices on goods	117	4.20	0.902	14.342	0.000
Q12 I prefer to shop at Pan Africa Shopping Centre because its prices are lower that Spaza Shops, hawkers, and street vendors	120	3.73	0.932	8.615	0.000
Q11 Prices offered at Spaza Shops, hawkers and street vendors are higher than that in shopping centres or malls	120	3.63	0.944	7.250	0.000



Research Proposition 3: The influence of product offering on consumer behaviour

Proposition 3.1: Consumers prefer to shop at Pan Africa Shopping Centre because of the wide selection of products (Leather, 1992).

Proposition 3.2: Consumers prefer to shop at Pan Africa Shopping Centre as they perceive better quality products and value-for-money at malls (Leather, 1992).

Product offering descriptive statistics were conducted to indicate the means of the difference statements. Results in Table 5.6 showed that all Product Offering statements have means which are significantly higher than the scale mean since the p-values for the T-test are less than 0.05 and the means are higher than 3. This implies that the respondents agree that all product offering propositions are related to purchasing behaviour.



Table 5.6: Product Shopping Descriptive Statistics

				T- Test against the Mean of scale = 3	
	N	Mean	Std. Deviation	T-value	p-value
Q13 I prefer to shop for groceries where I can find a wide range of products	120	4.37	0.755	19.824	0.000
Q14 I prefer to shop for clothing where I can find a wide variety of clothing	117	4.22	0.872	15.159	0.000
Q15 A shopping centre offers me the most variety when compared to a Spaza Shops, hawkers or street vendors	120	4.19	0.863	15.129	0.000
Q17 The products offered by Spaza Shops, hawkers or street vendors are of low quality	118	3.78	0.839	10.100	0.000



Research Proposition 4: The influence of perception of abundance on consumer behaviour

Proposition 4.1: People shop at shopping malls because of the overcrowding of people, which is a perception of abundance (Barki and Parente 2010).

Proposition 4.2: People shop at shopping malls because of the crowded aisles, which are a sign of an overstocked and busy store (Barki and Parente 2010).

Perceptions of abundance descriptive statistics were conducted to indicate the means of the difference statements. The statements (Q20) “I prefer to shop at a shopping centre or mall because of the high volume of products”, and (Q19) “I prefer to shop at a shopping centre or mall because of the crowded aisles” have means that are significantly higher than the scale mean since the p-values for the T-test are less than 0.05. This implies that the respondents agree that these two propositions are related to purchasing behaviour.



Table 5.7 Perception of Abundance Descriptive Statistics

				T-Test Mean = 3	
	N	Mean	Std. Dev	T-value	P-value
Q20 I prefer to shop at a shopping centre or mall because of the high volume of products	119	4.26	0.848	16.208	0.000
Q19 I prefer to shop at a shopping centre or mall because of the crowded aisles	118	3.25	1.126	2.452	0.016
Q18 I prefer to shop at a shopping centre or mall because of the overcrowding of people in the mall	120	3.07	1.113	0.656	0.513



Research Proposition 5: The influence of social and aspirational attributes on consumer behaviour

Proposition 5.1: People shop at malls because of social motives and the chance of meeting their friends (Babin, 1994).

Proposition 5.2: Low-income consumers shop at malls because of the perception of inclusion into middle class (Alwitt, 1995)

Proposition 5.3: Low-income consumers shop at malls because of the high-end facilities in the mall e.g. air-conditioning, security, tiled floors etc (Barki & Parente, 2010).

All the Social and Aspirational statements are significantly higher than the scale mean since the p-values for the T-test are less than 0.05. This means that the respondents agree that all Social and Aspirational propositions are related to purchasing behaviour.



Table 5.8: Social and Aspirational attributes Descriptives

				T- Test against the Mean of scale = 3	
	N	Mean	Std. Deviation	T-value	P-value
Q25 I prefer to shop at a shopping centre or mall because of the aspirational value of middle-class lifestyle	120	3.58	0.894	7.146	0.000
Q22 I prefer to shop at a shopping centre or mall because of the chance of meeting friends+C19	120	3.55	0.995	6.058	0.000
Q23 I prefer to shop at a shopping centre or mall because of the high quality facilities i.e. marble floors, air conditioning, big aisles	119	3.51	1.016	5.505	0.000



Research Proposition 6: The change in consumer behaviour impacts small retailers

Proposition 6.1: Selling to the poor may not eradicate poverty; instead it will hurt small businesses and threaten local jobs and incomes generated from local businesses (Warnholz, 2007).

All the Pan Africa Shopping Centre propositions except (Q28) “Since the opening of Pan Africa Shopping centre, I have reduced my shopping from the closest bakery” have means that are significantly higher than the scale mean since the p-values for the T-tests are less than 0.05. This means that the respondents tended to agree that these Pan Africa Shopping Centre statements are related to purchasing behaviour.



Table 5.9: Pan Africa Shopping Centre Descriptive Statistics

				T- Test against the Mean of scale = 3	
	N	Mean	Std. Deviation	T-value	p-value
Q27 Since the opening of Pan Africa Shopping centre, I have reduced my shopping from Spaza Shops	118	3.63	0.959	7.104	0.000
Q30 Selling to the poor may not eradicate poverty, instead it will hurt small businesses and threaten local jobs and incomes generated from local businesses.	120	3.62	1.030	6.555	0.000
Q29 Since the opening of Pan Africa Shopping centre, I have reduced my shopping from the fruit vendor on the street	119	3.26	1.012	2.807	0.006
Q26 Since the opening of Pan Africa Shopping centre, I have reduced my shopping at the local shebeen	119	3.18	0.974	2.071	0.041
Q28 Since the opening of Pan Africa Shopping centre, I have reduced my shopping from the closest bakery	118	3.02	1.212	0.152	0.880

5.2.4 Factor Analysis

The purpose of doing factor analysis is mainly data reduction i.e. to reduce the variables being used in the model. The Kaiser-Meyer-Olkin (KMO) (1974) measures the sampling adequacy.

“This index compares the magnitude of the observed correlation coefficients with the magnitude of the partial correlation coefficients. Small values of the KMO statistic indicate that the correlations between pairs of variables cannot be explained by other variables and that factor analysis may not be appropriate.”

A value close to 1 indicates that patterns of correlation are relatively compact and thus factor analysis should yield distinct and reliable factors. Kaiser (1974) recommends accepting values greater than 0.5 as acceptable, values below 0.5 should lead to either collection of more data or to rethink which variables to include in the analysis. In this instance the KMO value was 0.576 (see table 5.10), which is acceptable.



TABLE 5.10: KMO TEST

Propositions		KMO	Is Factor Analysis possible
1	Location	0.58	Possible
2	Price Sensitivity	0.57	Possible
3	Product Offering	0.58	Possible
4	Perception of Abundance	0.50	Possible
5	Social & Aspirational attributes	0.71	Possible
6	Impact on small retailers	0.72	Possible



Results of respondents for factor analysis

The questionnaire was divided into questions relating to each proposition. Of the 121 questionnaires conducted, there were missing values in some sections of the questionnaires, which were excluded for factor analysis of that particular proposition (see table 5.11).

Table 5.11: Case Processing Summary

	Cases		Total	% Included
	Valid	Excluded		
Location	114	7	121	94%
Price Sensitivity	114	7	121	94%
Product Offering	113	8	121	93%
Perception of abundance	116	5	121	96%
Impact of small retailers	114	7	121	94%

A Listwise deletion based on all variables in the procedure



Factor analysis of each proposition led to the factors in Table 5.12 below.

Table 5.12: Factors of all the propositions

Proposition	New Factor	Variables
Location	Location: Close to Home	Q4 I prefer to shop at Pan Africa Shopping Centre rather than Sandton City Mall because it is closer to my home
		Q5 I prefer to buy clothing at Pan Africa Shopping centre because it is closer to my home than Sandton City Mall
		Q2 I prefer to buy groceries/clothing at the shopping centre closest to my home
	Location: Close to home than Sandton City	Q7 I used to buy groceries at Sandton City Mall before the opening of Pan Africa Shopping Centre
		Q6 I used to buy clothing at Sandton City Mall before the opening of Pan Africa Shopping Centre
	Location: Spaza Shop	Q3 I prefer to buy groceries at the Spaza Shop closest to my home
Price Sensitivity	Price: Lowest Prices	Q9 I prefer to shop where I find the best bargains, sales and promotional products
		Q8 I prefer to shop at the shop that offers me the lowest prices
	Price: Mall vs. Spaza	Q11 Prices offered at Spaza Shops, hawkers and street vendors are higher than that in shopping centres or malls
		Q10 I prefer to shop at shopping centres or malls because they offer me the lowest prices on goods



		Q12 I prefer to shop at Pan Africa Shopping Centre because its prices are lower than Spaza Shops, hawkers, and street vendors
Product Offering	Product: Variety	Q13 I prefer to shop for groceries where I can find a wide range of products
		Q14 I prefer to shop for clothing where I can find a wide variety of clothing
		Q15 A shopping centre offers me the most variety when compared to a Spaza Shops, hawkers or street vendors
	Product: Quality	Q17 The products offered by Spaza Shops, hawkers or street vendors are of low quality
Perception	Abundance	Q18 I prefer to shop at a shopping centre or mall because of the overcrowding of people in the mall
		Q19 I prefer to shop at a shopping centre or mall because of the crowded aisles
		Q20 I prefer to shop at a shopping centre or mall because of the high volume of products
Social and aspiration attributes	Social Attributes	Q22 I prefer to shop at a shopping centre or mall because of the chance of meeting friends
		Q23 I prefer to shop at a shopping centre or mall because of the high quality facilities i.e. marble floors, air conditioning, big aisles
		Q25 I prefer to shop at a shopping centre or mall because of the aspirational value of middle-class lifestyle

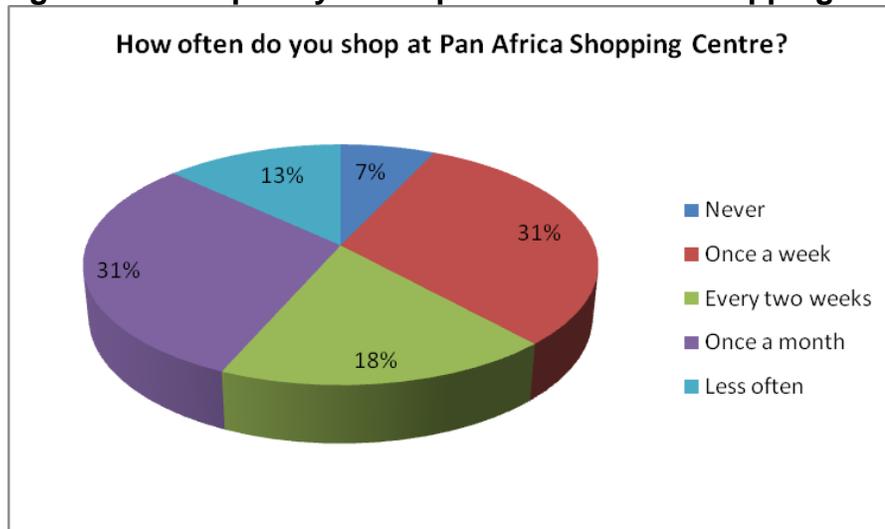


Pan Africa Shopping Centre	Pan: Reduced shopping @ small retailers	Q28 Since the opening of Pan Africa Shopping centre, I have reduced my shopping from the closest bakery
		Q27 Since the opening of Pan Africa Shopping centre, I have reduced my shopping from Spaza Shops
		Q26 Since the opening of Pan Africa Shopping centre, I have reduced my shopping at the local shebeen
		Q29 Since the opening of Pan Africa Shopping centre, I have reduced my shopping from the fruit vendor on the street
	Pan: Local Businesses	Q30 Selling to the poor may not eradicate poverty; instead it will hurt small businesses and threaten local jobs and incomes generated from local businesses.

5.2.5 Relationships between Independent Variables and Frequency of Shopping

The research propositions were correlated against two dependent variables, namely the propensity to shop at Pan Africa Shopping Centre as well as frequency of shopping at the Shopping Centre. The results indicate that 31 % of the retail consumers interviewed shop at Pan Africa Shopping Centre once a week, whilst 18% shop there once every two weeks. The results are shown in Figure 5.3 below.

Figure 5.3: Frequency to shop at Pan African Shopping Mall



The following factors have significant positive correlation with the frequency of shopping at Pan Africa Shopping Centre; “Location: Close to Home”, “Location: Close to Home than Sandton City”, “Price: Mall vs. Spaza”, “Product: Variety”, and “Social Attributes” (see Table 5.13 below). This means that these factors are likely to lead to an increase in the frequency of shopping at Pan Africa Shopping Centre. “



Table 5.13: Relationship of perception factors and frequency of shopping

	Q31 How often do you shop at Pan Africa Shopping Centre?		
Factors	Correlation coefficient	Sig. (2-tailed)	n
Location: Close to Home	0.228	0.014	115
Location: Close to home than Sandton City	0.194	0.039	114
Location: Spaza Shop	-0.139	0.140	114
Price: Lowest Prices	0.168	0.072	115
Price: Mall vs. Spaza	0.308	0.001	115
Product: Variety	0.234	0.012	115
Product: Quality	0.125	0.186	113
Abundance	-0.187	0.046	115
Social Attributes	0.370	0.000	115
Pan: Reduced shopping @ small retailers	0.175	0.062	115
Pan: Local Businesses	-0.138	0.142	115



5.2.6 Regression Analysis of Propositions against Frequency of Shopping

The regression analysis represents an additional analysis of the strength of relationship between the propositions and frequency of shopping. First, we see that the F-test is statistically significant *(since the p value = 0.000), which means that the model is statistically significant. The R-squared is 0.341 which means that approximately 34.1% of the variance of frequency of shopping at Pan African is accounted for by the variables in the model (see Table 5.14 below).

Table 5.14: Regression against Frequency of Shopping Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.584(a)	.341	.269	1.08242

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	60.693	11	5.518	4.709	.000(a)
	Residual	117.164	100	1.172		
	Total	177.857	111			

The coefficients for each of the variables indicates the amount of change one could expect in “frequency of shopping at Pan African” given a one-unit change in the value of that variable, given that all other variables in the model are held constant. However, the factors are interrelated, therefore an increase in the factor: location close to home would influence the frequency of shopping, but one cannot accurately state by how much. The significant variable is “Social Attributes” as seen in Table 5.15 coefficients.



Table 5.15: Coefficients (a)

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	B	Std. Error
(Constant)	-1.087	1.515		-.717	.475
Location: Close to Home	.306	.199	.148	1.538	.127
Location: Sandton City	-.019	.137	-.014	-.137	.891
Location: Spaza Shop	-.042	.098	-.041	-.424	.672
Price: Lowest Prices	.103	.193	.054	.532	.596
Price: Mall vs. Spaza	.261	.176	.143	1.478	.143
Product: Variety	.286	.180	.160	1.586	.116
Product: Quality	.057	.146	.038	.395	.694
Abundance	-.453	.157	-.269	-2.888	.005
Social Attributes	.507	.158	.333	3.211	.002



Pan: Reduced shopping @ small retailers	.220	.152	.147	1.444	.152
Pan: Local Businesses	-.058	.109	-.048	-.536	.593

Dependent Variable: Frequency of shopping at Pan African

5.2.7 Relationships between Independent Variables and Probability of Shopping

Table 5.16 represents the correlations of factors against probability to shop at Pan Africa Shopping Mall. The factors 'Product: Quality', 'Abundance', 'Social Attributes' and 'Pan: Reduced shopping @ small retailers' had a significant positive correlation to the likelihood to shop at Pan Africa Shopping Centre. This means that the respondents who rated these factors highly are more likely to shop at Pan Africa Shopping Centre. The rest of the factors have an insignificant correlation to likelihood to do shopping at Pan Africa Shopping Centre as the p-values were greater than 0.05.



Table 5.16: Relationship of proposition factors and probability to shop at Pan Africa

	Q32 On a scale of 1-5; how likely are you to do your shopping at Pan Africa Shopping Centre with 1 = unlikely to 5 = very likely.		
	Correlation coefficient	Sig. (2-tailed)	n
Location: Close to Home	0.105	0.262	117
Location: Sandton City	0.116	0.215	116
Location: Spaza Shop	0.057	0.540	116
Price: Lowest Prices	-0.031	0.740	117
Price: Mall vs. Spaza	0.149	0.110	117
Product: Variety	0.056	0.545	117
Product: Quality	0.206	0.028	114
Abundance	0.291	0.002	116
Social Attributes	0.488	0.000	116
Pan: Reduced shopping @ small retailers	0.477	0.000	116
Pan: Local Businesses	-0.091	0.329	116



5.2.8 Regression Analysis of Propensity against Probability of Shopping

First, we see that the F-test is statistically significant *(since the p value = 0.000), which means that the model is statistically significant. The R-squared is 0.400 which means that approximately 40% of the variance of probability of shopping at Pan African is accounted for by the variables in the model (see Table 5.17 below).

Table 5.17: Regression against Likelihood to shop at Pan Africa Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.632(a)	.400	.335	.873

ANOVA(b)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	51.249	11	4.659	6.118	.000(a)
	Residual	76.910	101	.761		
	Total	128.159	112			

The coefficients for each of the variables indicates the amount of change one could expect in “likelihood of shopping at Pan African” given a one-unit change in the value of that variable, given that all other variables in the model are held constant. However, the factors are interrelated, therefore an increase in factor: location close to home would influence the probability of shopping, but one cannot accurately state by how much. The significant variables are “Product Variety and “Social Attributes” as seen in Table 5.18 coefficients.



Table 10. Regression results

Model		Unstandardized Coefficients		Standardized Coefficients	t		Sig.	
		B	Std. Error	Beta	B	Std. Error		
1	(Constant)	-2.861	1.239		-2.310		.023	
	Location: Close to Home	.128	.160	.073	.804		.423	
	Location: Sandton City	-.054	.110	-.047	-.490		.625	
	Location: Spaza Shop	.046	.080	.054	.571		.570	
	Price: Lowest Prices	.200	.154	.127	1.299		.197	
	Price: Mall vs. Spaza	-.037	.143	-.023	-.255		.799	
	Product: Variety	.347	.145	.234	2.394		.019	
	Product: Quality	.024	.116	.020	.210		.834	
	Abundance	.241	.127	.171	1.898		.060	
	Social Attributes	.325	.127	.256	2.565		.012	
	Pan: Reduced shopping @ small retailers	.530	.123	.424	4.320		.000	
	Pan: Local Businesses	-.086	.089	-.083	-.969		.335	

Dependent Variable: Q32 On a scale of 1-5; how likely are you to do your shopping at Pan Africa Shopping Centre with 1 = unlikely to 5 = very likely.



5.2.9 Additional Findings

Shopping mall developments in township areas benefit the community by providing other sources of employment, such as working in the retailers in the shopping mall. It was found that Pick n' Pay in Alexandra Township takes risks by employing people that have no prior work experience in order to up skill the community of unemployed people. "This also encourages students to up skill themselves and get better education so that they can be promoted and become supervisors, frontline managers etc." However, the employee turnover is very high in the township retail environment as people tend to work at the employer offering the highest salary.

CHAPTER 6: DISCUSSION OF RESULTS

Schiffman and Kanuk (1997, p. 649) defined consumer behaviour as “the behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products, services and ideas. This includes how individuals make decisions to spend their available resources (time, money and effort) on consumption related items and understanding what, why, where and how often consumers purchase and how they use the purchased product. The analysis of the results were presented according to the following independent variables (Propositions); Location (Proposition 1); Price Sensitivity (Proposition 2); Product Offering (Proposition 3), Perception of Abundance (Proposition 4) and Social and Aspirational attributes (Proposition 5). This enabled us to understand what, why, where and how often low-income consumers purchase and the impact of shopping mall developments on that consumer behaviour. The impact was measured using the dependent variables; frequency and likelihood of shopping at Pan Africa Shopping Mall.

6.1 Proposition 1: The Influence of Location on Consumer Behaviour

The results revealed that lack of transport is not a barrier to shopping behaviour in township areas; therefore the location of the shopping centre does not affect the propensity to shop at any particular mall. Low-income consumers are willing to travel to a mall that suits their specific needs; regardless of the location. Thus, Proposition 1.1 ‘shoppers tend to shop at the nearest available outlet’ (Bromley & Thomas, 1995) was found to not necessarily be true.

Proposition 1.2, stated that consumers frequently shop at Pan Africa Shopping Centre due to its convenient location (Severin, 2001). Convenient location influences frequency of shopping for purchasing products such as food, airtime and household goods, however this was not found for clothing and fashion items. Consumers in township areas are competitive and use clothing as an extension of their need to be unique; therefore, the closeness of Pan Africa Shopping Centre to their friends or neighbours deters them from buying status symbol items at the nearest mall in the township.

6.2 Proposition 2: The Influence of Price Sensitivity on Consumer Behaviour

The manager of a large food retailer in Alexandra Township confirmed that consumers pursue promotional inserts in newspapers or magazines to find the shop that offers the lowest prices on goods and are even willing to purchase one item at one shop and the other at another shop; in order to achieve the lowest prices on total goods purchased. This is consistent with Proposition 2.2 that stated that consumers shop where they can find bargains; sales and promotional products (Leather, 1992). There are low switching costs between retailers and women will make time to seek the lowest prices, which is consistent with proposition 2.1 that states that low-income consumers shop where they can find the lowest prices (Anderson & Billou, 2007).

Shopping mall developments in township areas reduce prices offered to consumers for groceries, clothing and other goods. This is because large retailers, such as Pick n' Pay, are able to charge consistent prices which will be lower than those offered by small retailers in the area, due to supply chain benefits and multiple distribution channels.



Small retailers and Spaza Shops in township areas purchase stock from bulk retailers such as Metro Cash & Carry (Metcash) and add a mark-up on the goods in order to achieve a profit which results in Spaza Shops offering higher prices than food retailers in shopping malls. This reality is consistent with Prahalad and Hammond’s (2004) view that consumers in low-income markets are more likely to pay higher prices for basic goods and services as opposed to their counterparts in middle to high-income markets (SadreGhazi, 2008, p. 6). Lower prices offered at Pan Africa Shopping Centre increase the frequency of shopping by Alexandra consumers which is shown in the correlation of independent variables against frequency of shopping (see Table 6.1).

Table 6.1: Correlation of factors against frequency of shopping

	Q31 How often do you shop at Pan Africa Shopping Centre?		
Factors	Correlation coefficient	Sig. (2-tailed)	n
Price: Mall vs. Spaza	0.308	0.001	115

The development of the Pan Africa Shopping Centre is shown to negatively affect small retailers and Spaza Shops in the Alexandra Township as consumers who seek out low prices and promotions are more likely to purchase groceries from large retailers such as Pick n’ Pay. This is consistent with Proposition 2.3 that states that the prices offered by Pan Africa Shopping Centre has resulted in decreasing spending at small retailers; hawkers or Spaza Shops by Alexandra consumers (D’Haese & Van Huylenbroeck, 2005).

However, the food township outlets may not have catered as a result of the development of Pan Africa Shopping Centre as a plate of food from a township outlet is preferred in the township culture rather than takeaways. Culture has an impact on why consumers buy since it affects the individual decision making process and the specific products that consumers purchase (Engen et al., 1995). Township culture includes eating from township outlets such as buying roasted or boiled maize meal off the street or plates of food from a 'mobile store'. These food township outlets generally offer lower prices than food outlets in shopping malls, which have prompted KFC as well as other food outlets to offer lower priced meals such as the "Streetwise two". However, many consumers still prefer to buy food from township outlets rather than from established takeaway outlets at Pan Africa Shopping Centre as they are not consistent with township culture. This is evidence of culture, which is a set of values, customs, attitudes and feelings; directing consumer behaviour (Schiffman & Kanuk, 1994).

6.3 Proposition 3: The Influence of Product Offering on Consumer Behaviour

The discussion of product offering is two-pronged as it consists of the variety as well as the quality of products offered at a shopping mall. Product Offering will be discussed according to variety offered in the mall and quality of products.

Variety: The development of the Pan Africa Shopping Centre has benefited Alexandra consumers by providing them a variety of shops to choose from, as well as the convenience to purchase all goods in one place. For instance, township consumers previously purchased meat, chicken and other frozen products in bulk from Jumbo wholesalers but can now buy their groceries from Pick n' Pay.



This is consistent with the Proposition 3.1 that states that consumers prefer to shop at Pan Africa Shopping Centre because of the wide selection of products (Leather, 1992). The variety of shops offered at Pan Africa Shopping centre include Exact, Skipper Bar, Legit, Link Pharmacy, Jet Mart, Pep, Markham, Post Office, Nedbank, Fairdeal, Glomail, Multiserve, OK Furniture and cellular operators Vodacom and MTN.

Quality: The findings indicated that the tenant-mix or variety of shops in shopping mall developments is linked to affordability in the township areas which is often contradictory to the shops that this market wants (see Figure 6.1 below). Product offering based on income and affordability results in low quality products in shops or non-branded items. For example, fish oil is sold instead of olive oil, therefore the product offering in township areas tends to be less healthy than that in urban areas as healthy products tend to be more expensive. However, reputable retailers continue to bring quality products into township malls because of the possible reputational risk that could arise from stocking inferior products. Woolworths in Soweto and Woolworths in Sandton City have a centralised therefore the same products are distributed to their various outlets. This should result in an improvement in the consumer's quality of life. This is in line with Proposition 3.2 that states that consumers prefer to shop at Pan Africa Shopping Centre as they perceive better quality products and value-for-money at malls (Leather, 1992).

Figure 6.1 below represents Retailer's perceptions of consumer needs in low-income communities, which influences the product offering in terms of the tenant mix in the mall.

Figure 6.1: Retailer's perception of consumer needs in low-income communities



Williams and Hubbard (2001) found that although consumers are happy to shop in discount stores, there are some who question the cheapness and value of the goods, and who are suspicious of the non-familiar brands sold in this type of store. The findings of this study indicated that consumers in township areas are very brand conscious and associate non-brand items with inferior quality. Consumers who have more to lose if the selected brand does not perform according to expectations, tend to be unwilling to take a risk and waste their limited income and therefore tend to purchase branded items only. Brands promise value to consumers and Kotler (2000) realised that they attach psychological meanings to brands.

Webster (2000) noted that brands give consumers an implicit quality guarantee, lower the costs of searching and can give prestige linked with the brand image. This is true in township areas as the youth living in Alexandra township have high levels of brand awareness and many purchase premium brands after saving for months or even years. This brand loyalty is influenced by the perceived positive roles that the brands play in their lives.

We can conclude that shopping mall developments in township areas encourage consumers to purchase from the mall due to the variety of shops offered and the perception of quality achieved from known brands. It is however important to note that retail developments should take into account the existing brand awareness in township areas and the associated positive connotations attributed to buying branded clothing and should therefore not only offer non-branded clothing stores.

6.4 Proposition 4: Perception of Abundance

Barki and Parente (2010) stated that low-income consumers have a positive perception of abundance and are used to crowded atmospheres; such as commercial streets full of pedestrians. People crowding is perceived as evidence of liveliness and attractiveness and therefore retail stores in low-income neighbourhoods present an environment where there is a large quantity of products and people. The findings are however contradictory to Bharki and Parente's view that low-income consumers have a positive perception of abundance due to crowded atmospheres as Alexandra consumers prefer to purchase from Pick n' Pay rather than Checkers because Pick n' Pay has large aisles and less overcrowding.

6.5 Proposition 5: Social and Aspirational Attributes

The political and social design of the South Africa of the past did not allow for a free choice of the goods and services that certain race groups could purchase, or even the places where they could shop. This forced people to travel from rural areas and townships to malls in urban areas. This resulted in a behavioural pattern of shopping as a source of entertainment for people living in the township areas. Consumers in township areas literally dress up to go shopping and see it as an “outing” or event which is consistent with the proposition that people shop at shopping malls because of social motives and the chance of meeting friends (Babin, 1994). Low-income consumers have social aspirations for the middle or high income lifestyle and therefore would prefer to be seen in Sandton City, Melrose Arch and urban shopping malls rather than Pan Africa Shopping Centre. The proposition that low-income consumers shop at malls because of the perception of inclusion into the middle class (Alwitt, 1995) is true as findings confirmed that consumers always “shop-up” i.e. shop at the place that represents a level above their current social status.

Barki and Parente (2010) concluded that, low-income consumers shop at malls because of the high-end facilities in the mall, for example, air-conditioning, security and tiled floors which was confirmed by the finding that the look and feel of the mall influences consumer behaviour across income groups. A retail developer mentioned that “if one does not develop a proper mall in the township area, consumers will still go to Sandton City, regardless of the fact that it requires the use of public transport to get there”.

We can deduce from the quantitative results that social and experiential attributes have the strongest relationship on frequency of shopping at Pan Africa Shopping Centre as seen in Table 6.2 below.

Table 6.2: Relationships of proposition factors with frequency of shopping

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	B	Std. Error
(Constant)	-1.087	1.515		-.717	.475
Location: Close to Home	.306	.199	.148	1.538	.127
Location: Sandton City	-.019	.137	-.014	-.137	.891
Location: Spaza Shop	-.042	.098	-.041	-.424	.672
Price: Lowest Prices	.103	.193	.054	.532	.596
Price: Mall vs. Spaza	.261	.176	.143	1.478	.143
Product: Variety	.286	.180	.160	1.586	.116
Product: Quality	.057	.146	.038	.395	.694
Abundance	-.453	.157	-.269	-2.888	.005
Social Attributes	.507	.158	.333	3.211	.002
Pan: Reduced shopping @ small retailers	.220	.152	.147	1.444	.152
Pan: Local Businesses	-.058	.109	-.048	-.536	.593

Dependent Variable: Frequency of shopping at Pan African



CHAPTER 7: CONCLUSION

7.1 Conclusion

A shopping mall development in a township area benefits the consumer in terms of reducing the amount of time required for shopping and the convenience of being able to do all the shopping in one location. For example, a mall enables consumers to purchase groceries, clothing and airtime as well as pay for utility accounts all in one trip. Consumers previously had to go into the city or malls in urban areas in order to do shopping, and therefore the Pan African Shopping Centre has improved ease of shopping.

Lower prices and a larger variety of goods offered at shopping malls has also contributed to a change in consumer behaviour; away from purchasing items at small retailers. This shift in consumer behaviour has had a negative impact on small retailers due to reduced turnover. A large variety of shops may be desirable to consumers; however the success of restaurants and food offerings in township malls is influenced by township culture. The findings indicated that township culture consists of buying plates of food; roasted mielies or barbequed meat instead of takeaways, therefore coffee shops and fast food outlets are not necessarily successful in township areas as the culture tends to influence consumer behaviour more than product offering.

Consumers may be attracted to the Pan Africa Shopping Centre because it offers lower prices and variety that Spaza Shops cannot offer, however the Pan Africa Shopping Centre does not meet their social and aspirational needs. These needs are met at malls in urban areas, such as Sandton City, Rosebank and Melrose Arch, primarily driven by their desire to 'shop up'. Youth in township areas are influenced by social class aspirations therefore Sandton City and Rosebank tend to be their preferred malls.

7.2 Recommendations

7.2.1. The results indicated that the choice of shopping mall depends largely on social motives, consumer wants and needs rather than the location of the mall, therefore consumer culture, brand consciousness and aspirational values should be taken into account when retailers develop shopping malls in township areas. In order to ensure sustainable success in township areas, shopping mall development companies need to research the market, understanding its needs, wants and purchasing behaviour as well as affordability.

7.2.2. It is also important for retailers to take into account the existing brand awareness in township areas and the associated positive connotations attributed to buying branded clothing and therefore malls in township areas should offer branded clothing stores.

7.2.3. Retail tenants in township shopping malls should offer flexible and innovative payment terms in order to successfully sell to the low-income consumer. The lay-by credit system makes quality products accessible to low-income consumers and credit forms an important influence in consumer decision making because it enables consumers to satisfy recognised needs without having the funds readily available to pay for such purchases. The lay-by system adopted by some retail outlets in cities allows people to pay a deposit for a product, only collecting the item once full payment has been made. Schiffman and Kanuk (1997) supported this view stating that consumers with less income probably use their credit facilities with a “buy now and pay later” attitude, spending money on items they may not have purchased otherwise, while consumers with higher incomes may use their credit facilities as a convenient substitute of cash.

7.2.4. Shopping mall developments should provide a tenant mix that is suited to the consumers needs and wants, remembering that a consumer is a an individual who purchases goods and services offered for sale in order to satisfy personal or household needs, wants or desires (Walter, 1994). Customer satisfaction with a shopping centre should be viewed as an individual’s emotional reaction to a personal evaluation of the total set of experiences encountered at the shopping centre.

7.3 Further Research

- 7.3.1 The results indicated that township culture includes eating from township outlets instead of malls and cultural factors having the broadest and deepest influence. Further research should be conducted to assess the feasibility of incorporating township outlets into the shopping mall, which will motivate township consumers to eat from the mall.
- 7.3.2 The research indicated low-income consumer can be defined as households as well as individuals; therefore township retailers could be more successful if they viewed consumers in township areas as a community rather than as individuals. Further research could be conducted to test collectivism vs. individualism theories in low-income consumer behaviour.

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APPENDICES

APPENDIX A: Interview Discussion Guide

Informed consent letter:

I am conducting research on the impact of shopping mall developments on consumer behaviour in township areas and would like to find out more about whether the shopping mall developments have changed consumer behaviour. The purpose is to evaluate whether consumers have decreased their spending on small retailers, Spaza Shops and hawkers in the township area. Our interview is expected to last an hour. Your participation is voluntary and you can withdraw at any time without penalty. If you have any concerns, please contact me or my supervisor. Our details are provided below.

Researcher name: Lebogang Mokgabudi

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Phone: 0826556740

Name of participant: _____

Signature of participant: _____

Date: _____

Signature of researcher: _____

Date: _____



INTERVIEW QUESTIONS

1. Tell me about the retail environment in the township areas

2. Tell me about consumer behaviour in township areas

3. What do you think are the factors that impact consumer behaviour in township areas?

4. Do you think the Pan Africa Shopping Mall has impacted consumer behaviour?

IF YES, How has it impacted consumer behaviour?

IF NO, Why do you think there has been no impact on consumer behaviour?

APPENDIC B: Interviews with retail experts

Interview with the representative of Consumer Goods Council

1. Tell me about the retail environment in the township areas

People generally shop from spaza shops; sheebens and small retailers in the area. The prices are higher than shops in urban areas because spaza shops purchase from wholesalers then add a mark-up to the prices.

2. Tell me about consumer behaviour in township areas

Consumers in township areas go the mall as a form of entertainment, whereas consumers in urban areas prefer convenience shopping in small shopping centres. Low-income consumers like the fact that there lots of people in the mall; whereas the overcrowding in the mall may discourage higher-income earners from shopping from the mall. Low-income consumers are price sensitive and women have time to seek the lowest prices. There are also low switching costs between retailers therefore people are able to shop for products that are offered at the lowest prices.

3. Do you think the Pan Africa Shopping Mall has impacted consumer behaviour?

Yes. Large retailers have realized that people are multiplying at the bottom of the pyramid and have changed their business models to serve low-income individuals in township areas. Shopping mall developments bring the following elements into township areas: convenience and access to quality products. Consumer can purchase from the shopping mall in the township instead of travelling to the city or closest suburb; therefore also saving money required for the taxi fare.



Reputable retailers in the township make using quality products because they use centralised supply chains, therefore the products that are distributed to outlets in suburbs are also distributed to outlets in the township. This results in an improvement in consumer quality of life.

Interview with owner of bakery in Alexandra Township

1. Tell me about the retail environment in the township areas

The informal retail environment is very competitive as there are Spaza shops on nearly every street in Alexandra Township. The Spaza shops also sell the similar products at similar prices. The owners are not necessarily educated, therefore do not understand market share, competitive strategies etc. Collaboration of Spaza shops would not work as the owners are very competitive. For instance, the spaza shops that sell bread buy bread from wholesales instead of the bakery.

2. Tell me about consumer behaviour in township areas

People in Alexandra are price-sensitive but want value for money. They will look for the lowest prices but will not buy bad quality goods because they feel that they are wasting money. People prefer to buy goods in small quantities so the bakery offers customers the choice to buy one or two scones instead of an entire package of eight. Consumers tend to purchase from the bakery the most in the morning 7am -9am and in the evening after work.

3. Do you think the Pan Africa Shopping mall has impacted consumers' behaviour?

The development of Pan Africa Shopping has not impacted the bakery as people still purchase goods from the bakery. The products are priced cheaper than Pick n' Pay and the quality is comparable. The other advantage is that the bakery is opened from 7am; therefore consumers can purchase goods before they go to work.

Interview with Manager at Pick n' Pay in Alexandra Township

1. Tell me about the retail environment in the township areas

The retail environment in Alexandra Township never sleeps as individuals can purchase items from the informal retail sector anytime of the day. The informal retail sector consists of spaza shops, small retailers, shebeens and street hawkers.

2. Tell me about consumer behaviour in township areas

Consumers are very price-sensitive and search for promotional items on a daily basis. They continuously compare prices from different retailers and are willing to switch between retailers. Consumers in Alexandra Township prefer a clean shop that is not too full, "which is why they prefer to shop at Pick n Pay rather than Checkers". The store layout in Pick n' Pay has more spaces in the aisles.

3. Do you think the Pan Africa Shopping mall has impacted consumers' behaviour?

“Alexandra consumers have benefited from the mall as they can now buy groceries from Pick n’ Pay, airtime from the MTN shop next to Pick n’ Pay as well hair pieces from the hair shop in one trip to Pan Africa Shopping Centre” They can choose between eating fish and chips, KFC or MacDonald, all retailing at Pan Africa Shopping Centre. The product offering in large food retailers in township malls, such as Pick n’ Pay in Pan Africa Shopping mall, is customized to the consumer’s needs. For instance “in Alexandra Township, we do not stock products such as HTH or cat food as Alexandra residents do not have pools, neither do they keep cats as pets”, said the manager at large food retailer in Pan Africa Shopping Centre. Products that are environmentally friendly e.g. green products are not available in Pan Africa Shopping Centre because they are more expensive, therefore not affordable to the Alexandra resident.

Large retailers such as Pick n’ Pay are forced to charge consistent prices and these will be lower than those offered by small retailers in the area due to supply chain benefits and multiple distribution channels.



Interview with Retail Clothing Director and his Career in Township Areas

1. Tell me about the retail environment in the township areas

The Edcon strategy in township areas is based on LSM, for instance, Discom stores are available in Atteridgeville Township in Pretoria and not in Sandton City in Johannesburg. Most retailers tend to categorize the needs in township areas according to race and the differentiating factor in low-income communities should be income rather than race.

2. Tell me about consumer behaviour in township areas

Low-income consumers are attracted to promotional items and sales, therefore people are willing to travel far in order to purchase from sales. They do not evaluate that the cost of transport may negate the discounted value of items bought on sale. The lack of transport does not restrict consumers from purchasing goods at any mall; therefore the closeness of a mall does not necessarily result in success.

3. Do you think the Pan Africa Shopping Mall has impacted consumer behaviour?

Yes. People can now purchase a variety of goods from one place; therefore frequent the small retailers in the township less. Consumers also benefit from the low prices in the mall.

Interview with CEO of a retail development company

1. Tell me about the retail environment in the township areas

Large retailers do not adequately research the market needs in low-income communities and tend to provide a tenant mix that is not necessarily what the market wants. “Retailers should provide a tenant-mix of shops that the market wants.” Low-income consumers frequently shop from the cities and urban areas, as these malls provide for their tastes and needs.

2. Tell me about consumer behaviour in township areas

The difference between consumer behaviour in black people and white people is culture and not necessarily race. “Black and white people were brought up differently and therefore respond differently to different things”. For example, coffee shops are not a black culture and therefore are not successful in township areas; which is why Mugg and Bean recently closed down in Maponya Mall, Soweto. Another example is demonstrated by the incorporation of a Bow Hunting shop in Grey Owl Village, a shopping centre in Centurion, which, would not succeed in the township areas. This is because hunting is not a “hobby” in the black culture.

“Black people are generally more fashion conscious and quality conscious than white people”. Brand perception also extends to the packaging, where consumers in township areas will hold a branded package when shopping, even if they have not bought items from that store on that particular day. For example, a Fabiani package is preferred to a “Checkers” or non-branded package.

Consumers always ‘shop up’, for instance they tend to shop in the mall that is above their current status or income potential. “The poorest guy also prefers to shop in the best looking mall so the design of the mall is critical even in the township areas”. Access to shopping malls in township areas should not require one to use public transport to get to the mall because the consumer would rather use their taxi fare for a taxi to Sandton City, rather than pay to go to Pan Africa Shopping Mall.

3. Do you think the Pan Africa Shopping Mall has impacted consumer behaviour?

Yes, consumers have benefited from price advantages, better quality products and convenience offered by the shopping mall, however still continue to shop from urban areas as their preferred brands are offered in these malls. The concept of “shopping up” also contributes to low-income consumers shopping from urban area malls.



Interview with the owner of a restaurant in a township area

1. Tell me about the retail environment in the township areas

Food outlets that are commonly known as chisa-nyama (loosely translated as “braai the meat”) are frequented by doctors, teachers, taxi drivers, office workers, construction workers and the police. Takeaways are not a norm in the black culture and township outlets charge between R6.00 and R25.00 for a plate of food with rice, pap, dumplings or ting (savoury porridge), chicken, mutton or beef, and a variety of vegetables. Roasted and boiled maize and mealies sell at street corners, taxi ranks and train stations for between R2.00 and R5.00 per corn on the cob. A number of these “chisa-nyama” outlets operate from pavements, parking areas of shopping centres and taxi and bus ranks.

2. Tell me about consumer behaviour in township areas

The concept of buying “international brands” or “imports” is revered in many African communities and brands from other countries, especially those from the US and the UK, are perceived to be of greater quality than local brands. In the food retail sector, anything with an unknown brand is seen as a “cheap line” therefore no-name brands are not displayed or placed on the table for all to see. A no-name brand product is usually decanted into containers to ensure that visitors cannot make a direct association with an “inferior-quality” product. Pensioners and other low-income earners know that the money they spend on any product or brand has to be well spent, therefore they prefer to buy trusted well-known brands.



People in low-income communities have social aspirations of a middle or high income lifestyle and therefore would prefer to be seen in Sandton City, Melrose Arch and urban shopping malls rather than Pan Africa Shopping Centre.

3. Do you think the Pan Africa Shopping Mall has impacted consumer behaviour?

Yes, consumers can now purchase groceries and a variety of goods from the mall. Consumers still support township retailers to purchase food and alcohol due to township culture and lower prices offered at shebeens.



APPENDIX C: Questionnaire

CONSENT SECTION

I am conducting research on the impact of shopping mall developments on consumer behaviour in township areas. I am trying to find out more about the impact of Pan Africa Shopping mall on consumer behaviour in Alexandra township. To that end, you are asked to complete a survey about your purchasing behaviour since the development of Pan Africa Shopping Mall. This will help us to better understand the impact on consumer behaviour, and should take no more than 35 minutes of your time. Your participation is voluntary and you can withdraw at any time without penalty. Of course, all data will be kept confidential. By completing the survey, you indicate that you voluntarily participate in this research. If you have any concerns, please contact me or my supervisor. Our details are provided below.

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INTERVIEWER INSTRUCTIONS

Please can I speak to the female adult (age 16 years and older) in the household who is mainly responsible for shopping.

I would now like to ask you questions regarding your shopping behaviour. I am going to read out a number of statements where you will agree or disagree according to the scale.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
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Listen to the respondent's answer and tick as appropriate



APPENDIX 1: QUESTIONNAIRE

1 PERSONAL DETAILS			
NAME:		DATE:	
ADDRESS:			

General Warm-up Questions	1	2	3	4	5
I prefer to shop at shopping mall developments	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I prefer to shop at spaza shops, hawkers, and small retailers	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I shop for groceries every week	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I shop for clothing once a month	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Questions 2-7 relate to the influence of location on purchasing behaviour		1	2	3	4	5
2	I prefer to buy groceries/clothing at the shopping centre closest to my home	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
3	I prefer to buy groceries at the spaza shop closest to my home	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
4	I prefer to shop at Pan Africa Shopping Centre rather than Sandton City Mall because it is closer	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
5	I prefer to buy clothing at Pan Africa Shopping centre because it is closer to my home than	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
6	I used to buy clothing at Sandton City Mall before the opening of Pan Africa Shopping Centre	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
7	I used to buy groceries at Sandton City Mall before the opening of Pan Africa Shopping Centre	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Questions 8-12 relate to the influence of price sensitivity on purchasing behaviour		1	2	3	4	5
8	I prefer to shop at the shop that offers me the lowest prices	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
9	I prefer to shop where I find the best bargains, sales and promotional products	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
10	I prefer to shop at shopping centres or malls because they offer me the lowest prices on goods	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
11	Prices offered at spaza shops, hawkers and street vendors are higher than that in shopping centres or	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
12	I prefer to shop at Pan Africa Shopping Centre because its prices are lower than spaza shops,	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree



Question 13-17 relate to the influence of product offering on purchasing behaviour					4	5
13	I prefer to shop for groceries where I can find a wide range of products	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
14	I prefer to shop for clothing where I can find a wide variety of clothing	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
15	A shopping centre offers me the most variety when compared to a spaza shops, hawkers or street	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
16	The variety of products offered by a spaza shops, hawkers or street vendors is suitable for my needs	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
17	The products offered by spaza shops, hawkers or street vendors are of low quality	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Question 18-21 relate to the influence of the perception of abundance on purchasing		1	2	3	4	5
18	I prefer to shop at a shopping centre or mall because of the overcrowding of people in the mall	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
19	I prefer to shop at a shopping centre or mall because of the crowded aisles	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
20	I prefer to shop at a shopping centre or mall because of the high volume of products	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
21	I prefer to shop at a shopping centre or mall because of the large variety of shops	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Question 22-24 relate to the influence of social and aspirational attributes on purchasing		1	2	3	4	5
22	I prefer to shop at a shopping centre or mall because of the chance of meeting friends+C19	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
23	I prefer to shop at a shopping centre or mall because of the high quality facilities i.e. marble	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
24	I prefer to shop at a shopping centre or mall because of the aspirational value of middle-class	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Question 25-29 relate to the impact of Pan Africa Shopping Centre on informal		1	2	3	4	5
25	Since the opening of Pan Africa Shopping centre, I have reduced my shopping at the local shebeen	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
26	Since the opening of Pan Africa Shopping centre, I have reduced my shopping from spaza shops	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
27	Since the opening of Pan Africa Shopping centre, I have reduced my shopping from the closest bakery	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
28	Since the opening of Pan Africa Shopping centre, I have reduced my shopping from the fruit vendor on	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
29	Selling to the poor may not eradicate poverty, instead it will hurt small businesses and threaten	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Question 30 relates to frequency of shopping at Pan Africa Shopping Centre		
30	How often do you shop at Pan Africa Shopping Centre?	
	Never	1
	Once a week	2
	Every two weeks	3
	Once a month	4
	Less often	5



Question 31 relates to propensity to shop at Pan Africa Shopping Centre						
31	On a scale of 1-5; how likely are you to do your shopping at Pan Africa Shopping Centre with 1 = unlikely to 5 = very likely.	1 (unlikely)	2	3	4	5 (very likely)
Question 33-34 relates to your personal details						
		1	2	3	4	5
32	Which age group range do you fall into?	16 - 24	25 - 33	34 - 42	43 - 51	52 and above
33	Do you have a car in your family?	Yes	No			
34	What is the average household income in your home?	R0 - R699	R700 - R1 499	R1 500 - R 2 499	R2 500 - R3 499	R3 500 and above