

Laduma Hardware Group's retail expansion

Laduma Hardware Group's store count has grown from one outlet in 1996 to 15 stores today, including a 12,900 sq metre flagship store in Lebowakgomo, South East of Polokwane. With a niche business strategy targeting rural and semi-urban areas, the company says it aims to bring affordable building materials and hardware to these specific communities in South Africa.



The first stores were built close to villages in Mpumalanga and Limpopo, with these locations chosen due to the lack of accessibility to hardware and buildware in the area. By expanding its footprint, Laduma says it remains on its chosen path of creating jobs within communities, leading to less migration to the larger cities and keeping family units together.

Its intentions are to "dominate" the hardware retail market using "location, fair pricing and a commitment to local communities" to drive expansion.

Paul Oosthuizen, chief executive officer at Laduma Hardware, says: "We have enjoyed consistent growth of approximately 5.6% in annual earnings, with 28% of our sales stemming from cement, the base product with which to start building. Our experience within rural communities indicates this is followed by a lifecycle of consumer spend. We believe our business strategy of investment in the local community is the cement on which to build our future growth."

In a statement, the company also notes that there's a development strategy in the pipeline focused on expansion into Southern Africa within the next three to five years.

"The strategy is good for business and for local communities we serve by creating employment opportunities, providing access to good quality hardware products at good prices thus assisting communities to live in homes built with dignity. We also pride ourselves on the ongoing training and mentoring programmes we run for our staff encouraging them to grow into informed, customer-focused employees," he adds.

The company says its growth is driven by three imperatives: comprehensive staff training, a deep understanding of the customer base and a commitment to community development.

"Supporting the community is about more than the odd good deed, it is part of our business culture. By providing ongoing training, employing local people and creating new suppliers of support services, we are narrowing the gap between business and people," Oosthuizen concludes.

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