

5M2T data solution offers a deep-dive into SA's informal trade

5M2T (5 Minutes 2 Town) aims to take the guesswork out of doing business in South Africa's dynamic informal sector by providing brands and wholesale distributors with detailed data and analysis of informal trade outlets - all accessible through a mobile app.



5M2T started out as a distribution model that helped commercial brands reach South Africa's lucrative spaza shop and informal trade sector. After engaging with brands making use of its distribution model, 5M2T identified a need for more focused data and analysis on this sector. This led to the launch of their in-market audit platform that offers brands detailed data on informal trade, claiming to do so "within a fraction of the time and with far greater reach and penetration" than other market research offerings.

Capturing market idiosyncrasies

According to Stuart Smith, operations director at 5M2T, the problem that brands are facing is that the majority of data available is not accurate or specified to this unique retail model.

"We currently lack a platform that allows distribution strategies to be planned around accurate data on informal trade. Often the research that is performed and data collected is one-sided and does not take into account the unique idiosyncrasies of the informal trade sector. In spite of the fact that informal trade can fundamentally alter the fortunes of brands in South Africa, the investment into market research remains limited to anecdotal evidence and assumptions which couldn't be further from the actual truth happening on the ground."

5M2T's audit platform provides commercial brands with information on informal trade outlets such as their purchase frequencies, stock replenishment cycles, buying habits and the most brand-loyal product categories. The company says it can go even deeper to provide highly detailed information – for example, which spazas in Soweto have refrigeration units. "Our solution is a focused platform that collects specific data tailored to the needs of brand managers across all product categories. This allows us to provide our clients with data that will maximize their distribution opportunities."



Market distribution network to informal retail reaches 60,000 spaza shops

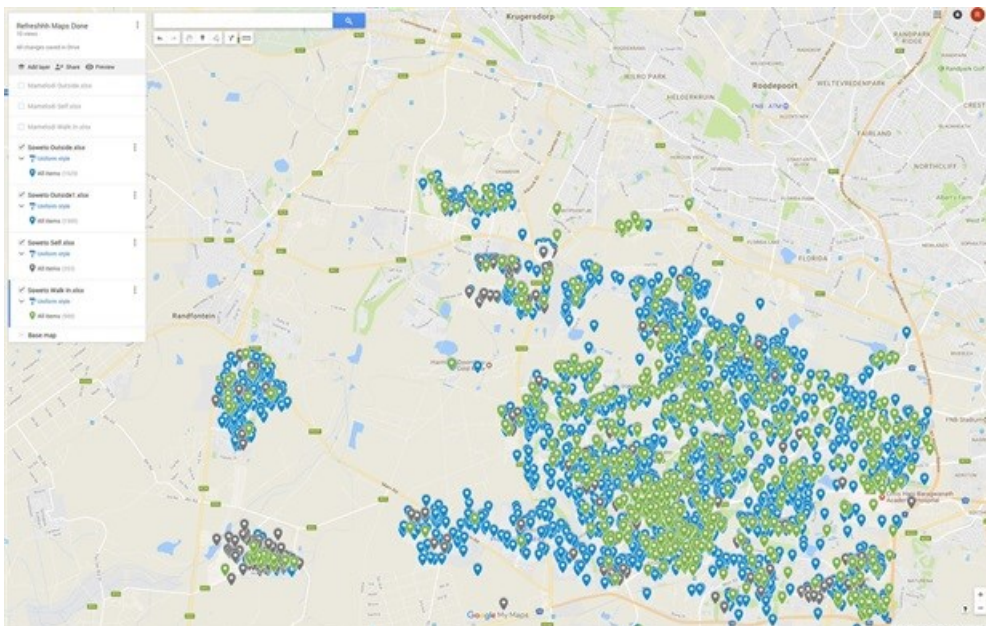
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Instant access via mobile

This in-depth research and audit capability is instantly available via the company's current mobile application, using their existing network of agents who already have established relationships, networks and routes on the ground. The app provides accurate and extensive reporting on sales alongside market research monthly, quarterly or yearly across over 60,000 spaza outlets, as well as neighbouring businesses such as salons, kota establishments and barbers.

A full audit at the nearly 5,000 spaza outlets in Soweto takes a maximum of one month from commencement to delivery of results, including a GPS heatmap of outlets visited as well as in-depth data about stock availability, shelf-space, pricing variations, replenishing cycles and whatever other information the client has opted to include on their custom-built wireframe.



Soweto heatmap. Credit: 5M2T

Because the entire system is instantaneously scalable, extending to broader geographical areas can be achieved in comparable timeframes. The data upload in real-time via mobile, creates additional opportunities to track promotions, product launches or sales rep activity on the ground.

“Brand owners, sales managers and even executive level management believe that they know their brands’ performance and position in the informal market but once we deploy on the ground, we discover huge gaps and insights and are then able to accurately shape a distribution model aligned to the brand’s specific needs,” Smith explains.

The 5M2T audit capability is available nationally, SADC territories and will soon be rolled out into key markets on the continent.

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