

TGi enters townships

Townships are expanding and they now have improved infrastructure, shopping malls and their residents have higher income levels. Township consumers have shifted to the middle market and have increased buying power. Marketers and retailers have realised the growing potential of the township market and many have jumped on board to target this elusive market.

These communities are misunderstood to a large degree and as a result, very few brands are able to penetrate this market successfully. Understanding and appreciating the nuances of township consumers will empower brands to tap successfully into the illusive wallet of the township shopper.



Maponya Mall, Soweto. Township shoppers want quality, not second-rate products, and they also want good service. (Image extracted from the Maponya Mall [website](#))

Target Group Index (TGi) for which Ask Afrika owns the South African licence, has recently been launched into townships. TGi Township aims to provide marketers with the requisite data to target the township market accurately. TGi has international renown and is known for verifiable surveys and representative samples.

A growing market

"Townships are growing at a massive rate and are becoming more diverse in terms of culture, income levels, lifestyles and attitudes. These differences are evident from

township to township, neighbourhood to neighbourhood and individual to individual. Historically people in townships have tended to be treated as a homogeneous group and research shows that they have expressed a desire to be treated as individuals. Brands and retailers often apply generic formal retail strategies or global marketing strategies which fail to understand this expanding and essentially unique emerging market. This results in very few brands demonstrating the ability to penetrate the township market successfully. All townships are unique and there is no one-fits-all approach. Marketers need to realise the limitations of demographic segmentation and focus on mind-sets and lifestyles to foster a genuine understanding and engagement with these markets," explained Maria Petousis, Director of TGi at [Ask Afrika](#).

TGi Township shared some of its initial insights: as with most consumers, there exists sensitivity towards spending, for example, 58% look out for special offers, 56% budget and 55% plan before going shopping. However, they are just as likely as the average South African consumer to agree that it is worth paying extra for quality goods and they enjoy owning good quality things. Interestingly, 47% of people living in townships agree that when they like a product they will buy it regardless of price compared to 45% of the average South African consumer. It is not about buying cheaper products, it is about a more calculated brand purchase. 59% state that the brand they choose is very important. The best-placed brands will be those that instil brand trust and perform on claims of quality. For these consumer markets, it is better to pay more for a quality brand or product that can be trusted, than to take the risk of buying *penny wise but pound foolish* products.

More and more choices - and quality is key

With the addition of greater competition in townships as more retailers and brands are entering this market, the township shopper is faced with expanding consumer choices. Not only are they discerning shoppers, having more choices makes them more critical of which products and services to purchase. Retailers and brands alike are limiting their potential in this market due to misconceptions of township communities and mistakenly offering downscaled products.

"Providing poor quality, cheaper products to try to suit this market will be missing the mark. The township shopper is looking for quality brands and products that they can trust. However, once your brand is trusted, consistently delivering on brand promise and quality will be of [the] essence," continued Petousis.

TGi provides the data that advertisers need to understand the township market. Apart from quality, advertising is one of the

most important shopping drivers. Township shoppers are very positive towards advertising, claiming that they notice out-of-home (OOH) advertisements on the side of the road, on taxis and buses. They mostly enjoy advertisements with 58% expect advertising to be entertaining, 57% like to look at advertising which helps them choose what to buy and 55% use advertising to keep up to date about products and services. The perception of quality and advertising goes hand-in-hand as 45% believe that brands advertised are better quality than those that are not.



Maria Petousis.

It's a matter of trust

Having said this, there is still a lack of trust as 52% also agree that too many products do not perform as well as the adverts claim. So who do they trust? The township shopper's sense of community also translates into more connectedness and close interactions. Word of mouth plays a key role in township communities, 76% are influencers of products and services and 72% are *Mavens* who give a large amount of information about a product or service. They are significantly more likely to be *Champions* of brands and products, which indicate that they talk to many people, convince others of their opinions and provide information on products of services. This also highlights the importance of opinion leaders and brand ambassadors within these communities as a tool for leveraging word of mouth campaigns and strategies.

"The power of word of mouth in township communities is a double edged sword, bad service and negative brand experiences could severely damage brand reputation. Negative experiences and poor quality service will spread like wild fire, perhaps faster than a positive experience, detracting from trust and loyalty in your brand - this will also take away from the trust and loyalty of their friends and family," said Petousis.

Each township and the niche township communities within it, needs to be understood as a separate market. Demographic profiling will only bring a brand so far, it is about getting into the minds and under the skin of the township shopper, which market research like TGi Township can facilitate. Only then will brands be able to successfully reach and build relationships with this market.

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