

# Impact of Spaza branding on customer value and sales

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Fast Moving Consumer Goods (FMCG) brands in South Africa are constantly looking at creative ways to stand out from their competitors, build better relationships with shoppers and elevate sales.

With traditional trade stealing much of the spotlight from formal retail in recent years, brands are now pivoting aggressively into the spaza and wholesale arenas. It is, after all, a low-cost high-volume, hundred-billion-rand market.

However, the big challenge brand managers and trade marketers have is <u>how to build their brand</u> in an often volatile township environment, where retail commodities such as planogramming and large format promotional displays are not formal buying opportunities for brands. Furthermore, how does one build their brand in an impactful way whilst maintaining sustainability, empowerment and respect to all stakeholders. Spaza branding is not a new concept but its popularity has increased with the market's growth and has become a go-to for brands wanting to create a brand presence in the general trade.





Nyama Choma Spices Before

Nyama Choma Spices After

In 2019, MegaVision Media, a national branding and advertising company known for retail and wholesale advertising, introduced the <u>MegaSpaza</u> in order to offer their blue-chip brands the opportunity to participate in the traditional trade branding space. The core MegaSpaza product value lies in creating a mutually empowering and respectful relationship between the brand and the spaza shop owner while leveraging off technology in order to give the brands real-time insight

into the market simultaneously. (Click here to watch an insightful panel discussion on the MegaSpaza.)

#### Spaza branding case study and client feedback

MegaVision Media conducted a spaza branding case study for one of their blue chip clients in the maize business which yielded very positive results:

- 75% of shop owners who did not stock the maize brands product before the spaza branding later confirmed that they stocked the product.
- 95% of shop owners said that once the patrons saw the spaza branding and visited their shops, they specifically asked for that product.
- 87.5% of owners reported that sales had increased after the spaza shop was branded
- 100% of spaza owners confirmed that patrons liked the new spaza branding and agreed that it had made the spaza shop more appealing.

<u>Alvina Bhikha</u>, a senior account manager for MegaVision Media, completed a MegaSpaza project on behalf of Unilever in 2019. The project involved an extensive distribution rollout and branding of 4,000 spaza shops. After talking to these spaza shop owners about what a brand's support means to them, Bhikha found that many owners had developed a strong affiliation for the brand and become champions for their products.





Spekko Before

Spekko After

"When a brand supports a spaza, a spaza supports the brand," said Bhikha, "and this is something that really drives our passion for the MegaSpaza work we do. It also helps that the responses we have had from our customers has been exceptional." Chante Goliath, assistant brand manager for Pepsico was blown away at the 150 MegaSpaza executions done in Gauteng, Western Cape and KZN for Weetbix in 2021. "Wow, this is amazing! Such a brilliant exposure for the brand! Thank you for this, we're definitely going to brag about this internally!"

#### How MegaSpaza works

Brand teams select regions or townships to target and MegaVision Media takes care of the rest:

- Source spaza shops
- Negotiated with the spaza owners
- · Conduct site visits of each shop and measure applicable advertising spaces
- Paint the spaza shop to pantone spec
- Install custom measured signage
- · Communicate with client throughout the process
- Take before and after photos
- Pay the spaza owner a once-off rebate

## ConnectSpaza: Real-Time Reporting Technology

What separates the MegaSpaza from other companies who offer spaza branding is the technology behind it. The in-house

<u>ConnectSpaza</u> field application is used by teams to track execution activity in order give the brand manager real-time feedback.

The key objective is to give brands a true understanding of what is happening to their top SKU's at spaza level for the duration of their brand rollout. This data is then consolidated onto a custom reporting brand dashboard which makes it incredibly easy for the trade marketing teams to report back to the business on their achievements using real data, rather than relying on vague trade data from audience insight platforms.





Weetbix Before

Weetbix After

"ConnectSPAZA is a real-time reporting platform that centralises all MegaSpaza activity into one place. Using a range of filters, the reporting platform shows successful spaza executions, store details and key data points like location, photographs and SKU information," says <u>Jane Sarah Rosen</u>, head of ConnectGroup and software partner of MegaVision Media. "ConnectSPAZA is a game-changer for both MegaVision and the client; with all the data published to a single web report, it saves huge amounts of time and allows MegaVision Media to make much faster decisions when they run into problems on the ground. The speed, efficiency and overall result could never be the same if they managed their communication via WhatsApp, email or PowerPoint."

Brands and agencies who are interested in learning more about the MegaSpaza, get hold of Lizelle on 083 27 61500 or 011 803 8433, alternatively email lizelle@mvmedia.co.za.

Those wanting to find out more about ConnectSpaza field technology, get hold of Jane on 072 252 7718, alternatively email jane@weareconnect.co.za.

Watch: Township branding video:

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