The Shopping Diaries:
A Tale of Three (and a Half) Cities

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Abstract

This paper serves three objectives insofar as it will make recommendations to marketing researchers on ways to ensure greater accuracy of self-completion diaries amongst lesser educated respondents. Secondly, via a comprehensive analysis of shopping diaries completed within a multi-cultural community, it will offer suggestions as to how to maximise marketing elements therein and thirdly, via an analysis of the shopping dynamics within the different communities, it will determine leverage points for retailers to optimise.

Introduction

The topic of this paper was inspired by three main contributing factors. First, a number of years ago, the writer was absolutely enthralled and fascinated by the presentation given by Daryl Collins on behalf of the Financial Diaries:

> *"a research project motivated by the lack of detailed knowledge of the extent to which poor households are using formal and informal financial instruments in their struggle against poverty.*
>
> *The goal of the Financial Diaries is to present a picture of the financial lives of the poor by interviewing households over the course of a year and compiling a record of daily income, expenditure and financial exchanges."*
>
> *(www.financialdiaries.com)*

Second, a client brief was received recently which questioned the accuracy of the diary methodology used by commercial research companies for lesser educated respondents. This inspired the writer to think about how to develop a diary construct which could maximise the accuracy of information collection.

> *"In the South African market which has relatively low levels of sophistication and high levels of illiteracy, we are concerned that a diary methodology will not be able to give us either the degree of accuracy or level of detail that we require."*
>
> *(Client brief – November 2007)*

Third, the writer is a committed resident of the suburb of Hout Bay, home to three culturally diverse communities and one that is also a major tourist destination within Cape Town.

The integration of these three contributing factors has led to this paper which will examine the grocery shopping dynamics of these different communities within Hout Bay, using a diary approach.

The ultimate objectives are to provide:

- Recommendations for *researchers* as to how to improve the accuracy of diary completion
- Suggestions for *manufacturers and marketers* as to what factors they need to take into consideration for multi-cultural communities
- A detailed overview of the shopping dynamic in order to help *retailers* in merchandising and marketing efforts

Multi-Cultural Communities

The importance of researching multi-cultural communities is becoming more and more critical as they are an increasing phenomenon in South Africa. General economic, social, political and demographic trends account for this, such as: rising incomes and concomitant increase in purchasing power, continued emigration from rural areas to the metropolitan areas, the fragmentation of the traditional family unit, the impact of AIDS on the family structure and the movement of 'Black Diamonds' to the suburbs from the townships. These are to name just a few.

One organisation that has recognised the importance of this movement is the Newspaper Advertising Bureau (NAB). This body undertakes biannual research at the community level in order to provide potential local community broadsheet advertisers with accurate information at the suburb level. Increasingly, NAB is being faced with the changing profiles of these suburbs.

> *"The rainbow nation has become a reality at community level, says NAB's Research Manager Lynne Krog. Using our proprietary research history one can track back and see the most significant changes in terms of where black PDMs (Purchasing Decision Makers) used to live, work and shop, and most importantly, where they are now. Demographic changes began as early as 2001 but the most significant transformation has been between 2004 and 2007."*
>
> *Lynne Krog, NAB, Roots 2007*

Indeed, an analysis of TNS Research Surveys' proprietary demographic database of over 21 000 sampling units reveals a similar finding. Fully 11.8% of sampling units contain either two or three different ethnic communities, each accounting for more than 20% of the population of the sampling unit.

Table 1 shows that whilst multi-cultural areas haven't reached a tipping point with respect to absolute numbers yet, the number of dual ethnic group areas is a pattern that cannot be ignored, especially in the provinces of Gauteng, the Northern Cape, the Free State and the Western Cape, where they account for between one in five and four in ten areas, in total.

Table 1 - Provincial Proportions

Definitions: Multi = Three ethnic groups, each comprising 20% or more of the unit population
Dual = Two ethnic groups, each comprising 20% or more of the unit population
Single = No diversity

		Proportion of sampling units that are:		
	Sampling units (No.)	**Multi %**	**Dual %**	**Single %**
Northern Cape	440	3.0	26.8	70.2
Western Cape	1340	1.7	22.2	76.0
Gauteng	2222	0.5	40.2	59.3
KwaZulu-Natal	4030	0.5	9.6	90.0
Mpumalanga	891	0.3	15.9	83.7
North West	1201	0.2	8.7	91.0
Free State	791	0.1	22.8	77.1
Eastern Cape	7958	0.1	2.9	97.0
Limpopo	2370	0.0	3.1	96.9
Total	**21243**	**0.4**	**11.4**	**88.2**

Source: TNS Research Surveys database based on Census 2001 data updated by Professor Stoker using multiple more recent resources

The nature of this small sampling unit of analysis is such that the probability of finding homogenous areas is heightened. In other words, the chance of finding different ethnic groups in a smaller area is diminished, given that geo-demographic sampling is based on the premise that 'like people tend to live in like areas'.

If one takes Hout Bay as an example, while it doesn't fit the stricter criteria outlined earlier, when one combines the nine Hout Bay sampling units into a 'suburb' level, the town does indeed qualify as a multi-cultural suburb, with three ethnic groups being represented by more than 20% of the population: black (43%), white (32%) and coloured (25%).

Table 2 – Hout Bay Population by Sampling Unit

Sampling unit area	**Community Classification**	**Population Size (#)**					**Proportion by Ethnic Group (%)**				
		Total	**Black**	**White**	**Col.**	**Asian**	**Total**	**Black**	**White**	**Col.**	**Asian**
Hout Bay Harbour	Hangberg	**5789**	213	139	5406	31	**100**	4	2	93	1
Houtbaai	Imizamo Yethu	**6851**	6536	0	315	0	**100**	95	0	5	0
Imajamojea	Imizamo Yethu	**3152**	3135	0	17	0	**100**	99	0	1	0
Houtbaai	Valley	**5077**	182	4694	173	28	**100**	4	92	3	1
Penzance Estate	Valley	**873**	109	718	34	13	**100**	12	82	4	1
Scott Estate	Valley	**840**	43	797	0	0	**100**	5	95	0	0
Helgarda Estate	Valley	**595**	41	554	0	0	**100**	7	93	0	0
Berg-En-Dal	Valley	**401**	38	350	0	13	**100**	9	87	0	3
Tierboskloof	Valley	**509**	15	474	20	0	**100**	3	93	4	0
Total		**24087**	**10313**	**7727**	**5965**	**85**	**100**	**43**	**32**	**25**	**0**

Source: TNS Research Surveys database based on Census 2001 data updated by Professor Stoker using multiple more recent resources

Local estimates of the population size of each of the three communities vary markedly from those in the database due to a number of factors. Chief among these is the continual unabated immigration of families into the informal settlement, Imizamo Yethu (IY). The subsequent overcrowding of the township has prompted much interest and debate, not only from a political and social perspective, but also from a media perspective.

Hangberg is the community belonging to the fishing community in Hout Bay. As will be seen in demographic profiles, this community is an established one and the oldest in Hout Bay. Recently, informal settlements have been growing within this community, hence, the possibility of undercounting within official statistics.

Several local experts were contacted in order to establish the reality of the population universe. These people were selected according to their hypothesised knowledge in this area and included, amongst others, a SAPS representative, the ward councillor, a local business owner, an estate agent and the editor of the local newspaper. The estimates from the few responding do infer that there is no consensus as to the current size of the population.

Table 3 – Hout Bay Population Comparisons

Source:	**Total**	**Hangberg**	**IY**	**Valley**	**'Visitors with access to self-catering facilities'**
TNS Research Surveys based on Census 2001 with Prof. Stoker updates	**24087**	5789	10003	8295	n/a
Local expert 1	**49000**	10000	17000	22000	1500-2000 in tourist season 750 out of season
Local expert 2	**88000**	20000	60000	8000	n/a
Local expert 3	**n/a**	n/a	35000	n/a	n/a

Context: A Closer Look at Hout Bay and its Communities

Demographics

Because of its ethnic profile and geographic location of these groups within the nine sub-areas (each area having one of the three ethnic groups accounting for over 80% of that particular area), Hout Bay lends itself well to the objectives of this research paper.

Whilst there is no reliable income information readily available for the three communities (the NAB Roots 2007 research did include Hout Bay but excluded the community of IY as it wasn't a target area for communications, a point that will be discussed later), a social research study conducted by volunteers within the community in 2004 can offer some greater depth of understanding as to the cultural and economic diversity within the suburb.

'Imagine Hout Bay' aimed at integrating the different communities by identifying what the dreams and wishes were of residents for the suburb. Interviewing was done using the three-step *Appreciative Inquiry* process, using open-ended questioning: Appreciate what is; Imagine what can be; Create what will be. Additional demographic classification questions were also asked to aid in analysis, although no standard wealth variables were included.

Approximately one hundred interviews were conducted in each of the three communities amongst residents aged 15 years and older, responses ultimately being weighted back to 2001 Census figures. All interviews were conducted according to a probability sample, using random walk and birthday rule selection criteria, hence its relevance here as a tool for describing the three communities. These 2004 results were also used to guide selection of the respondents for the diary completion.

Interesting snippets from this study are cited below. A surrogate wealth continuum can be developed if dwelling type is considered, with 100% of the Valley community living in formal housing as opposed to just over one-quarter of IY. Hangberg also has an informal settlement in its midst. Additionally, the high percentage of foreign born residents in the Valley is interesting, especially as the Imagine Hout Bay study was conducted in July, which might infer undercounting of the actual number of European 'swallows'.

Table 4 – Hout Bay: Demographic Profile

	Total (n=289) %	**Hangberg (n=100) %**	**IY (n=93) %**	**Valley (n=96) %**
Dwelling type				
House	**55**	39	28	91
Shack	**34**	31	70	-
Flat	**11**	30	2	9
Language				
English	**38**	11	4	87
IsiXhosa	**33**	-	86	-
Afrikaans	**24**	89	3	6
Other	**5**	-	7	7
Birthplace				
Eastern Cape	**30**	-	78	1
Greater Cape Town	**19**	19	14	25
Hout Bay	**19**	63	2	9
Other South Africa	**20**	18	5	35
Overseas/Other Africa	**12**	-	1	30

Table 4 – Hout Bay: Demographic Profile (Continued)

	Total (n=289) %	**Hangberg (n=100) %**	**IY (n=93) %**	**Valley (n=96) %**
Tenure of residence in Hout Bay				
Up to 6 years	**28**	4	35	34
6-10 years	**21**	4	25	27
11-15 years	**13**	3	23	9
16-20 years	**14**	18	13	12
More than 20 years	**25**	70	4	18
Average no. years (#)	**15**	**30**	**10**	**11**

Source: Imagine Hout Bay survey, July 2004

In terms of Hout Bay's location on the Cape Peninsula, an additional factor plays a critical role, insofar as there are only three access roads in and out of Hout Bay, one of which is a toll road. Therefore, the Hout Bay suburb is relatively cut off from contiguous suburbs, and given the relatively low economic status of two of the communities, the hypothesis is that the bulk of purchases will occur within the suburb given the barrier of transportation costs to neighbouring suburbs.

Retail Environment

The formal retail environment within Hout Bay is developed although not comprehensive due to the location of the outlets. There are two main retail supermarket chains represented, Checkers and Woolworths, as well as three convenience outlets, SuperSpar, QuikSpar and Friendly 7/11. All are easily reachable by foot or by car by the Valley community but require transportation from the Hangberg and IY communities.

The informal retail sector was classified according to definitions supplied by Martins *et al*, 2004:

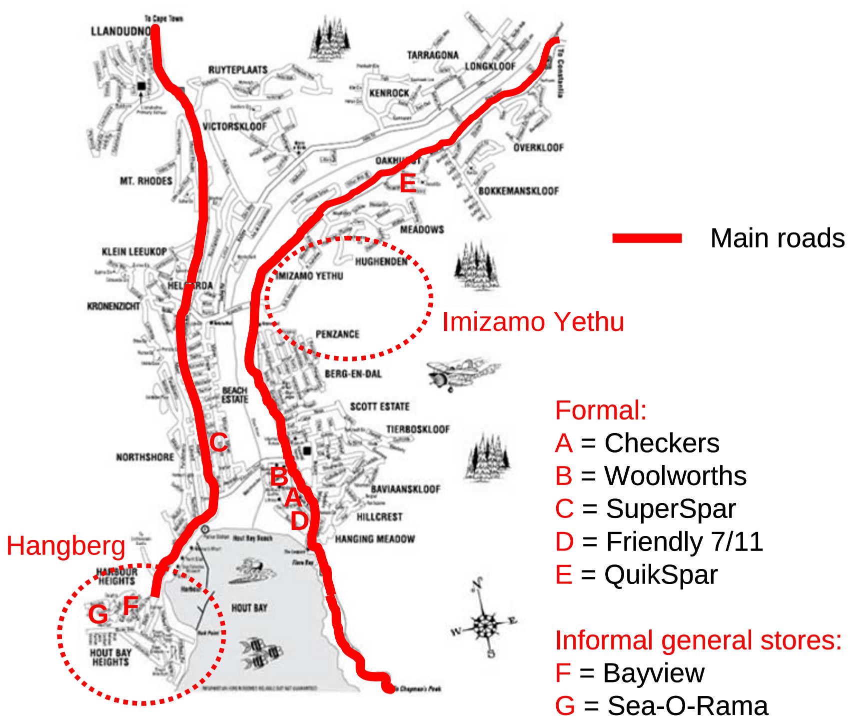
- Hawker tables or street vendors operate from a temporary or permanent structure on a street or at a taxi rank or train station
- Spazas or tuck shops are defined as businesses operating in a section of an occupied residential home or in any other structure on a stand zoned or used for residential purposes and where people permanently live
- Township general dealers are stand-alone businesses with a brick and mortar superstructure often located within 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

All three types of informal retail environments are prevalent in the two communities of Hangberg and IY, although the smaller independent general dealers (township supermarkets) are only present within the Hangberg community: Sea-O-Rama and Bayview.

Graphically, the location of these outlets relative to the location of each community's residence is shown in Figure 1 overleaf. Please note that the 'Valley' community is dispersed throughout the entire area and is not isolated to a distinct location, as with the

Hangberg and IY communities. Additionally, the 'half' community, the visitors, would tend toward temporary residences within the Valley community.

Figure 1 – Hout Bay: Graphic Representation of Community Residences and Retail Outlets



Research Methodology

Overall Process

The core component of the primary data collection was the completion of diaries over the course of one week. The week selected was the first week of the year that could approximate an 'average' week and could encapsulate the month end shopping period (week of Monday, 28 January – Sunday, 3 February 2008).

The development of the diary data collection process was largely informed by recommendations cited in the psychology literature of ways to negate the influences of four main problems: honest forgetfulness, retrospection error, uncertain compliance and the absence of response-time information (Bolger *et al,* 2003). Suggestions made and followed in this instance were as follows:

- Make the diaries easily portable
- Reduce the possibility of participant error by pre-printing dates and times of expected responses
- Pilot test the diary on participants from the population to be studied
- Maintain ongoing contact with participants, in a personal yet nonintrusive manner

Sample

Respondents were selected via an iterative process. The first step involved the distribution of six recruitment questionnaires by a local community member within the Hangberg and

IY communities. The local community member was briefed to only give the self-completion recruitment questionnaires to people who qualified as being:

- The person in the household responsible for the grocery shopping
- Able to read and write English
- If working, working in Hout Bay
- In Hout Bay for the duration of the data collection period
- Having access to a cellphone and able to read SMS messages
- Able to attend briefing and debriefing sessions

These qualification criteria were specifically selected to facilitate data collection and data entry for the purposes of this research experiment. It is recognised that a commercial marketing research company's replication of this methodology would eliminate one or more of these criteria (for example, the ability to read and write English) given greater access to resource availability.

The recruitment questionnaire largely consisted of demographic variables. Several of the questions were deliberately formatted to identify whether potential diarists were able to follow a sequencing of questions, a key characteristic of the shopping diary, although this criterion was ultimately not utilised as a basis for inclusion.

The next step was to select three respondents from each of the Hangberg and IY communities who were demographically matched - as far as possible. Once these respondents were selected, a matched sample of three respondents living in the Valley were found and recruited.

An overview of key demographic characteristics of the final sample of nine diarists selected follows:

- All diarists were living in a traditional family structure – partner and children
- Grocery household sizes (i.e. the number of people the diarist buys groceries for living in their home) ranged from four to seven
- Almost all diarists had pets
- Income ranges varied by community, with the Valley diarists each reporting household incomes upwards of R20 000 per month. Incomes in Hangberg were: R0-599 per month; R600-R999 per month and R2000-R2499 per month. Incomes in IY were: R0-R599 per month; R2000-R2499 per month and R3000-R3999 per month
- The education question was surprisingly the question with the most number of omissions – two diarists did not fill this question in (one from Hangberg and one from IY). Education levels in the Valley were extremely high with all three diarists achieving a post-matriculation qualification. Only one of the responding diarists in the other two communities reported a matriculation level education; all others were lower, lending credence to the potential accuracy problems outlined in the client brief cited earlier
- The length of time that diarists had lived in Hout Bay echoed the findings in the earlier Imagine Hout Bay survey, with Hangberg residents claiming the longest tenure (all over 20 years), IY residents each claiming 10-19 years and the Valley residents claiming between 5 and 19 years

Additionally, two visitors temporarily resident in self-catering accommodation in Hout Bay were also recruited to complete the diaries within the same week. Their responses, however, are excluded from the core analysis within this research paper and will only be alluded to in the summary section.

Once recruited, all diarists were personally briefed by the writer as to how to complete the diary and when to fill it in (the emphasis was on immediacy). This briefing focused on verbal clarification in three main areas: content of what was to be included, the actual mechanics of completion, and explanation of specific terms used, such as what constituted a planned versus an unplanned purchase. They were provided with the diary, a pen and a glue stick with which to affix till slips and other receipts. The diary was bound with a bright pink card cover which the writer hypothesises aided as a memory reminder.

Midway through the data collection week, a short reminder SMS was sent to all diarists. On debriefing, most diarists, while claiming to fill in the diaries religiously, did welcome this as confirmation of the importance of their contribution.

Upon completion of the data collection period, all diarists were personally debriefed by the writer and their diaries checked for completeness. In only one case did a respondent need further help to accurately complete their purchase record of informal purchases. Otherwise, the writer was pleasantly surprised by the high adherence to the request for information and the legibility and assumed accuracy, thereof. Indeed, one woman in Hangberg likened the experience to 'being back at school' and supposedly shooed away family members on return from a shopping trip in order to record all the purchases.

All diarists were compensated for their involvement, both on completion of the recruitment questionnaire and successful selection as a diarist (same occasion) as well as completion of the week's diary. It is acknowledged by the writer that the cash amount given prior to the start of the diary week (R150 in total) may have influenced spending to a small extent, and going forward the recommendation would be to use clothing retail vouchers or other non-cash incentives so as to not bias the results in any way.

Diary Format

At the front of the diary was an introduction page outlining what was and what wasn't to be recorded. Inclusions were listed as 'any food and drink that can be bought in a supermarket or informal trader – things like meat and vegetables, Coke and milk, tomato ketchup and rice – and so on'. The example used to determine context in personal briefings was 'anything that can be purchased in a normal supermarket' – but with the following exclusions: tobacco/cigarettes, alcohol/wine, clothes and garden supplies/ furniture, etc. Contact details for any questions were also included.

The next few pages of the diary consisted of example pages showing hypothetical purchasing situations as a guide for how to record the purchases.

The self-completion part of the diary itself consisted of two pages allocated to informal purchases and formal purchases per day. On the informal purchase pages, a grid allowing for up to 40 purchases was developed. For each informal purchase, questions were asked to essentially record the same information that is captured on a till receipt.

One additional question was asked of both informal and formal purchases, enquiring whether the purchase was a planned or unplanned one. This question was included to ascertain the level of spontaneity experienced within each community.

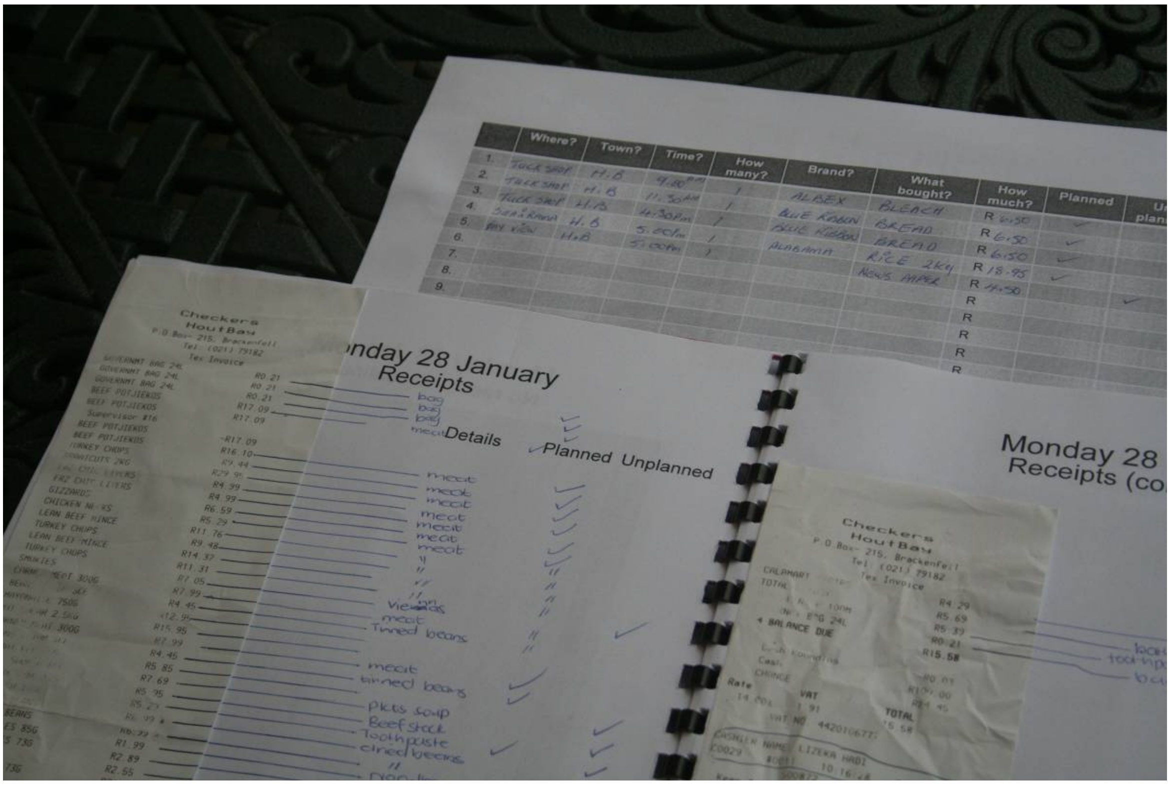
The formal pages consisted of a half vertical page left blank in order to affix the till receipt. Next to the blank space were three 'columns' with 'Details', 'Planned' and 'Unplanned' as headings. These were included as both a memory reminder to record all unplanned purchases as well as a place to clarify and elucidate on items which couldn't be identified from the till receipt.

The questions captured were:

1. Day of week
2. Where purchase was made
3. Town of purchase
4. Time of purchase
5. Quantity
6. Brand and item bought
7. Rands spent
8. Whether planned or unplanned

An example of what both types of pages of the completed diaries looked like is given below in Figure 2.

Figure 2: Completed Diary



Overall Shopping Dynamics

Overview of Total Purchases

The first overall finding, and one that surprised the writer from the outset, was that shoppers in each community made a similar number of purchases, on average, over the week. The number of items purchased ranged from a high of 97 within the Hangberg community to an average of 91 within both the IY and Valley communities. These average results are based on three diarists per community and are thus only indicative, but do serve to illuminate an interesting overall pattern.

However, given the disparity in income levels noted earlier, it is not surprising that, despite a similar quantity of items purchased, Valley diarists, on average, spent 1.7 times the amount that IY diarists did and 1.3 times the amount of Hangberg diarists.

Whilst total household expenditure figures are unknown, the total food expenditure pattern seen here might suggest confirmation of the Law of Engel, which states that the poorer a family, the greater the proportion of its total expenditure devoted to the provision of food.

Table 5: Overview of Quantity and Value of Items Purchased

	Total	Hangberg	IY	Valley
Total number of items purchased (#)	**838**	292	272	274
Actual number of items purchased (#)	**n/a**	68, 92, 132	62, 79, 131	56, 90, 128
Average number of items purchased (#)	**93**	97	91	91
Total value of items purchased	**R9198,41**	R2932,39	R2328,68	R3937,34
Average value of items purchased	**R1022**	R977	R776	R1312

When one analyses the relative shopping pattern of each diarist individually, a more complete picture can be painted, as within each community, there was wide dispersion of expenditure. Within each community, the individual amount spent, per diarist, was as follows (listed in rank order from smallest to largest and showing the ratio between smallest and largest):

- Hangberg: R545,35; R1030,25; R1356,79 (ratio of 2.5)
- IY: R497,89; R555,10; R1275,69 (ratio of 2.6)
- Valley: R886,79; R1341,56; R1708,99 (ratio of 1.9)

Cross-referencing the claimed monthly household income responses from the recruitment questionnaires reveals an interesting anomaly – in both the Hangberg and IY communities, two of the lower spenders (spending R545,35 and R555,10, respectively, for the week) had both previously recorded a total household income of less than R599 *per month*.

Group Purchases and Table Sharing

Whilst this direct rand comparison between income and grocery spend was not available when debriefing took place, and thus could not have been probed, a hypothesis can be offered as to a reason behind this discrepancy. The nature of the community involvement in Hangberg and IY is such that shopping for and subsequent cooking and feeding of neighbours, family, friends, etc happens ‘en masse’. In other words, the shopper may buy collectively for other community members and despite instructions to the contrary, may not have accurately recalculated their allocation of the total amount.

A specific example of this shopping dynamic was the visit to the butcher in Claremont. Whilst the receipt for this visit listed all of the meat 'in theory' purchased by the diarist, upon debriefing, it transpired that many of the items were purchased for households other than the diarist's. These other items were consequently excluded from that diarist's total analysis. The writer was drawn to this dynamic because of the large total amount of money involved, but wonders about its prevalence in the remainder of the dataset.

A second example would be the purchase of a bulk pack of maize meal, where once again, it is hypothesised that whilst the diarist was the shopper, that the actual product was 'shared' within the community and thus an individual allocation is extremely hard to calculate.

Whilst these examples refer to purchases specifically, another dynamic plays a part in confounding the accurate recording of household purchasing data. Within the Hangberg and IY communities, the meal occasion itself is rarely one that is isolated to just the 'household members'. Indeed, table sharing is commonplace and serves as an additional complexity to take into consideration when attempting to calculate 'household purchases'.

These factors do not lend themselves well to the ability to conduct any accurate sizing exercises of household spend within less affluent communities where 'table and ingredient/product sharing' are common characteristics. In these circumstances, one has to question what the 'correct' base for measurement should be: the household or total purchases made by the shopper?

One solution to this problem of potential overstated recording would be to extend the diary data collection period to one month, under the assumption that one month would be a more reliable time period and would take into account 'what goes around comes around'. This longer time period would then average out any anomalies inherent in either the group purchasing or table sharing dynamics.

For the purpose of this paper, the writer has left all purchases unedited, as recorded in the diaries, with the exception of the recalculated figures that were determined in the debriefings.

Follow the Money – Formal vs. Informal

In total, fully 26 different outlets were visited over the last week of January by the diarists. Of these, 16 were located within Hout Bay and 10 were located outside of Hout Bay – covering areas across the Cape Peninsula. Of interest is that all three communities were just as likely to have purchased items at formal retailers outside of Hout Bay, although, as will be seen, the reasons for doing so varied remarkably.

The 26 outlets were allocated to one of four channel classifications per Martins *et al*, 2004. Actual terminology used in the diaries themselves has been retained here for accuracy purposes (e.g. some people refer to an outlet as a spaza whereas others refer to it as a tuck shop - both are listed here):

- *Local Formal* (7 outlets): Checkers, Clicks, Friendly 7/11, Office National, QuikSpar, SuperSpar and Woolworths
- *Non-Hout Bay Formal* (10 outlets): Bag It (Golden Acre), Bargain Books (Durbanville), Fruit and Veg City (Mitchell's Plain), Pick n Pay (Constantia), Pick n Pay (Durbanville), Shoprite (Maynard Mall), Shoprite (Wynberg Centre), Spar (Zwaanswyk), The Crazy Store (Wynberg Mall), Woolworths (Blue Route)
- *Local Informal* (8 outlets): Bayview, butcher, harbour, Sea-O-Rama, spaza, street man, tuck shop, veg stall
- *Non-Hout Bay Informal* (1 outlet): Kwa Nyama Nyama Butchery (Claremont)

Money Flow

A detailed analysis of the money flow through each of these channels was conducted. The first step was to establish the proportion of total money allocated to each channel. The second step was to determine what items were responsible for this pattern of expenditure.

Overall, across all three communities, local formal retailers accounted for almost 6 in 10 of the rands spent (58%). This proportion rises to almost 80% of the money spent by Valley residents and falls to 39-44% within each of the other two communities.

The second largest channel, accounting for a further 21% of expenditure, was formal retail outside of Hout Bay. This proportion rose to one-third of Hangberg's spend, but was not evident in great numbers amongst IY residents. Valley diarists repeated the total's average.

Thus, the formal retail sector, regardless of location, made up 100% of the Valley diarists' spend in this particular week, and accounted for 77% of Hangberg's weekly spend. IY's allocation to formal retailers was at a much lower 46%, bringing down the average for the entire suburb to 79%. This is higher than the number predicted by ACNielsen Research ("60% of retail sales in 2008 will occur in the major supermarket chains of Shoprite, Pick n Pay, Spar and Woolworths", cited in GAIN Report, 2005) but is understandable given Hout Bay's location within a major urban setting as contrasted with ACNielsen's countrywide prediction.

Local informal retailers accounted for a sizeable minority of expenditure in both less affluent communities – Hangberg (23%) and IY (35%). Additionally, IY allocated about one in five rands to the informal butchery outlet outside of Hout Bay, located in Claremont (19%).

Leakage to Neighbouring Suburbs

In terms of money leaving Hout Bay, overall, about one-quarter (26%) was reportedly spent in neighbouring suburbs with proportions ranging from a low of 21% leakage (Valley) to a high of 33% amongst Hangberg residents. This finding was another surprising one for the writer, given the Valley's greater access to transportation and ability to select from a more diverse range of retailers.

In subsequent conversations with Valley residents, the general consensus was that the non-Hout Bay outlets are used predominantly for the main comprehensive stock-up or monthly shop due to the availability of a wider range of goods and that local outlets are used for top-up and daily shopping.

Other interesting snippets were as follows:

"You can't find bulk goods in Hout Bay, things like a six-pack of long life milk or Sunlight dishwashing liquid refills." (Valley)

"Hout Bay isn't geared for bulk shopping. The trolleys are too small, the wheels don't work on them when they're full and they're difficult to move to the car." (Valley)

Impact of Month End

The timing of the data collection had been designed to coincide with month end (and to capture this monthly shop), but the findings from this research indicate that 'month end' can start as early as the 24th or 25th of the month, and can even extend through to the second week of the new month (if there is money left over from typical monthly expenditures). Indeed, for one of the respondents in the Valley, the diary period had actually missed the month end shop, which had been done on the previous weekend (26-27 January) and had, of interest, been done via online delivered shopping from Pick n Pay.

The recommendation would be that the timing of any future diary data collection such as this should be expanded to cover an entire month, in order to capture each individual's 'month end'. This would be especially important for heterogeneous samples where the source of income can vary and can include a variety of different payment dates such as with government grants, wages, salaries, sales commissions, monthly policy payouts and so on.

Table 6: The Money Flow

	Total %	**Hangberg %**	**IY %**	**Valley %**
Total Spend (Rand):	**R9198,41**	**R2932,39**	**R2328,68**	**R3937,34**
Local Formal	**58**	44	39	79
Non-Hout Bay Formal	**21**	33	7	21
Local Informal	**16**	23	35	0
Non-Hout Bay Informal	**5**	0	19	0

Money Flow to Specific Outlets

Specifics of which individual outlet was visited by each community reveal some interesting dynamics. Taking each community separately:

- Hangberg Expenditure

Hangberg diarists' top outlay was to the local Checkers outlet, which accounted for 40% of their total weekly spend. The next highest outlets value-wise were local tuck shops (20%) and Shoprite in Wynberg Centre (18%). Another Shoprite, this time in Maynard Mall, accounted for an additional 12%, meaning that Shoprites in neighbouring areas were enjoying almost one-third (30%) of the Hangberg community's expenditure.

When one overlays the timing of these Shoprite visits, it can be seen that they occurred predominantly on a Saturday and were indeed cited as 'the Saturday outing'. These Saturday trips are often the weekly family outing to take advantage of what the women rationally played back as affordable and 'cheaper prices offered by stores outside of Hout Bay'. However, it remains to be seen whether, once family transportation and other costs are taken into account, these price perceptions are real or whether the experiential value of these shopping trips is more the driver of this phenomenon. Needless to say, the local formal retailers need to be aware of this dynamic and ensure that all price discounts are adequately promoted, advertised and displayed. Local retailers can't do much, however, to defray the 'cabin fever' experienced by the Hangberg community.

"Shoprite in Wynberg is cheaper for most things." (Hangberg)

"Spar and Checkers are for the white community – everything goes to the white man's pocket." (Hangberg)

An additional feature of these out-of-town trips was that they also usually included a light snack or meal and a soft drink – items such as pies or cooked chicken pieces were common on the till receipts for Shoprites, and were mostly recorded as 'unplanned' purchases.

One barrier to shopping more at the local formal outlets in Hout Bay is the cost of transport. Using a local taxi, the cost of a round trip from Hangberg to Checkers is R8,50 – R4 there and R4,50 back as the taxi takes the shopper directly to her door. When prices in the tuck shops are considered to be the same for staples such as bread and milk, the obvious option is to buy in your community. Interestingly, very few items were bought at either of the two general stores, located within the Hangberg community. The rational reason given was that their prices weren't any cheaper than at the tuck shops. The emotional reason was that the places were regarded as unsavoury with "people hanging around outside all the time".

Table 7: Hangberg – Specific Spend by Outlet
(Outlets ≥ 5% of expenditure)

Outlet Name	**Location**	**Classification**	**Hangberg %**
Checkers	Hout Bay	Local Formal	40
Tuck shop	Hout Bay	Local Informal	20
Shoprite	Wynberg Centre	Non-Hout Bay Formal	18
Shoprite	Maynard Mall	Non-Hout Bay Formal	12

- IY Expenditure

IY's expenditure followed a similar pattern insofar as the top outlets included both a local formal outlet (Checkers – 28%), local informal outlets (spazas/tuck shops – 23%) and an out-of-town outlet. The main difference in the choice of this out-of-town outlet was that IY diarists frequented an informal butcher to acquire the week's supply of meat, which accounted for almost one-quarter of their total weekly expenditure.

"The bad thing about Checkers is that the meat is very expensive." (IY)

The dynamic of the butchery visit was akin to the Hangberg one in terms of the family outing experience but with the exception that the IY shopper tended to make multiple purchases for the community rather than purchasing solely for their own household, as Hangberg diarists tended towards.

Other outlets each accounted for less than 10% of the weekly expenditure although it should be noted that fully 9% was outlaid to SuperSpar, a convenience outlet, and one that, from the writer's perspective, was a surprise entry in one of the diaries from the IY community.

Table 8: Imizamo Yethu – Specific Spend by Outlet
(Outlets ≥ 5% of expenditure)

Outlet Name	Location	Classification	IY %
Checkers	Hout Bay	Local Formal	28
Butcher	Claremont	Non-Hout Bay Informal	24
Tuck shop	Hout Bay	Local Informal	13
Spaza	Hout Bay	Local Informal	10
SuperSpar	Hout Bay	Local Formal	9
Butcher	Hout Bay	Local Informal	5
Street man	Hout Bay	Local Informal	5

- Valley Expenditure

Valley residents' purchases were dominated by one outlet – Woolworths (53% of spend). Minority expenditure was made at SuperSpar (20%) and at Pick n Pay Constantia (16%).

Upon questioning the absence of purchases from the top retailer for the other communities, Checkers, the feelings were unanimous amongst these diarists. They all felt that Checkers did not deliver on any of the attributes that they require a supermarket to offer and prior experience had forced them to reject the outlet. The outlet would only be visited on a last resort basis, it seems.

> *"The last time I went in there, the girls at the checkout were all talking to each other and were completely neglecting their duties. The queue got to be so long that I almost put down my items and walked out. I'll never go back." (Valley)*

> *"I don't like the vibe in Checkers, it's very unfriendly and you get a funny feeling when you walk in there. It doesn't seem to be clean and it's below par to what I expect from a supermarket - in all areas: service, display and layout." (Valley)*

Woolworths was praised in a number of ways by Valley shoppers. The store is meeting this particular community's needs to a large extent by delivering all of the requirements of the retail experience: availability of parking, store cleanliness, friendliness and helpfulness of staff, easily located products, availability of products and acceptable checkout experience.

The combination of almost daily visits and hypothesised high levels of commitment, did, however, lead Valley diarists to cite some suggestions for improvement: the provision of more express lanes, especially at busy times (Saturday morning); availability of a wider range of household cleaning items to negate the need to visit the dreaded Checkers; and earlier opening hours to capture the forgotten school lunch items. One other quite specific comment presents a challenge for retailers:

> *"Everything at Woolies is packaged for a family of four. We're a family of six which means that we have to buy two packs of meat and then have two spare."*
> *(Valley)*

Table 9: Valley – Specific Spend by Outlet
(Outlets ≥ 5% of expenditure)

Outlet Name	Location	Classification	Valley %
Woolworths	Hout Bay	Local Formal	53
SuperSpar	Hout Bay	Local Formal	20
Pick n Pay	Constantia	Non-Hout Bay Formal	16

Chain Expenditure

The other perspective from which to look at this data is at an outlet level. Examining only the formal supermarket and convenience chains in Hout Bay, it can be seen that each chain is targeting either one or two communities only. Indeed, only one outlet exhibited purchases made by all three of the communities.

Table 10: Outlet Expenditure by Community

Community	Woolworths %	Checkers %	SuperSpar %	QuikSpar %
Total Spend (Rand):	**R2077,27**	**R1828,61**	**R1114,72**	**R165,06**
Hangberg	0	64	10	0
Imizamo Yethu	0	36	18	0
Valley	100	0	72	100

Timing of Purchases: Day of Week

An analysis of the timing of when purchases were made could reveal valuable information that can be used by retailers in order to schedule additional staffing, restocking, stock-taking administration, etc.

The first finding is that, regardless of community, the diarists were making grocery purchases across a number of days and not limiting their shopping to only a few. With the exception of the 'online purchaser' in the Valley who only made purchases on three of the days, diarists were shopping on either six days (four diarists) or on every day of the week, all seven days (four diarists). This pattern is consistent with global trends of more frequent shopping.

Mid-week seemed to be the quietest time according to the total amount of money spent then. Purchases on a Wednesday or Thursday accounted for only 14% of the total expenditure, as compared with almost three times that amount (39%) allocated to purchases made on a Saturday or Sunday. It is interesting to note that the weekend started earlier for Valley shoppers, as Friday accounted for a similar proportion of spend as Saturday and Sunday. Monday also accounted for a disproportionate amount overall – fully 20% of the total expenditure, driven by two diarists completing comprehensive shops on that day.

Table 11: Money Flow by Day of Week

	Total %	Hangberg %	IY %	Valley %
Total Spend (Rand):	**R9198,41**	**R2932,39**	**R2328,68**	**R3937,34**
Monday, 28 January	**20**	19	28	16
Tuesday, 29 January	**14**	13	12	16
Wednesday, 30 January	**6**	7	11	2
Thursday, 31 January	**8**	6	15	5
Friday, 1 February	**13**	8	4	21
Saturday, 2 February	**27**	42	20	20
Sunday, 3 February	**12**	4	11	19

As stated above, a good deal of shopping was done on almost a daily basis, some in a habitual manner. In Hangberg and IY, for example, there was a consistent morning purchase amongst a few diarists consisting of bread, milk and occasionally fresh fruit and vegetables. On weekdays, these purchases were generally made between 06h00 and 07h30, moving to between 09h00 and 09h30 on weekends – and always from tuck shops and spazas.

Timing of Purchases: Time of Day

The first formal retail purchase made by any diarist was at 09h20 (from Clicks) and at 10h00 from a traditional grocery outlet, suggesting that the informal outlets are satisfying the early morning convenience needs within those communities where they are located. The latest purchase made across all diarists was at 20h30 from a spaza shop in IY.

The distribution of purchases across the time of day points to very different buying patterns between the communities. Whilst almost one-half of the IY community's spend was in the afternoon (defined here as 12h00-16h59), they also displayed polarised behaviour, indicating the highest incidence of spending in the mornings (pre-09h00) as well as after 17h00 in the evening.

Hangberg's spending was predominantly 'daytime' (09h00-16h59), with very little value attached to items bought before 09h00 or after 17h00. In a similar fashion, the Valley community had not purchased one single item before 09h00 in the diaries. The point of difference between this community and Hangberg, however, was that almost one in five of the total rands spent was done so at the end of the day, after 17h00.

The question that one has to ask is the degree to which circularity is present in the Valley's purchasing pattern. In other words, was there no spending before 09h00 because there are few outlets open before 09h00? Or, is there an opportunity for an outlet such as Woolworths to open earlier to capture this early morning time period?

Table 12: Money Flow by Time of Day

	Total %	Hangberg %	IY %	Valley %
Total Spend (Rand):	**R9198,41**	**R2932,39**	**R2328,68**	**R3937,34**
Before 09h00	4	1	13	0
09h00-11h59	11	20	11	2
12h00-13h59	31	23	22	45
14h00-16h59	37	50	25	34
17h00 or later	17	6	29	19

Basket of Goods

Categories

Despite the different patterns of purchasing, the core basket of goods acquired during the week showed some congruence across the communities with eight staple food categories accounting for approximately three-quarters of the expenditure within each community. The top four categories according to value were: meat products (including chicken and cold meat/bacon) (25%); fresh fruit and vegetables (12%); milk/dairy products/eggs/cheese (10%) and bread/starch (such as pasta, rice, maize meal)/cereal (8%).

An additional four categories accounted for an extra 20% of value, on a total basis.

Table 13: Distribution of Expenditure by Product Category

	Total %	**Hangberg %**	**IY %**	**Valley %**
Meat/chicken/cold meat	**25**	23	39	19
Fresh fruit and vegetables	**12**	9	12	13
Milk/dairy/eggs/cheese	**10**	13	6	10
Bread/starch/cereal	**8**	10	8	7
Total of Top 4 Product Categories:	**55**	**55**	**65**	**49**
Household items	**6**	9	5	4
Cold beverages	**5**	3	3	8
Sauces/condiments/spreads	**5**	5	5	5
Frozen items	**4**	0	0	9
Total of Top 8 Product Categories:	**75**	**72**	**78**	**75**

A further in-depth comparison across each community's expenditure reveals some interesting findings.

Meat Products

First of all, whilst meat was the top category bought by each community, the nature of these meat products was vastly different between them. In the Hangberg community, 'red meat' applied primarily to braai packs, bulk pork, burger patties, lamb kidneys and liver, and mince steak. In IY, this classification included beef mince, braai cuts, brisket, gizzards, mincemeat, pork chops, sheep brains, sheep fat, sheep heads, sheep liver, sheep lungs, stewing beef, turkey chops and wors. In the Valley, where only formal retailers were utilised, the meat options were beef burgers, boerewors, lamb steaks, mince, ostrich steaks, pork chops and steak.

In a similar nature, cold meat implied more processed meat such as polony, viennas, russians and hot dogs for the Hangberg and IY communities as opposed to (country) ham and salami in the Valley.

Chicken was prevalent in all three communities and largely consisted of chicken pieces.

This finding that meat products are usually the highest contributors to food expenditure is borne out with the findings from a research study conducted in the Cape Peninsula (Martins, 2005). The second contributor in that research study was not validated in this shopping diary experiment, however, as grain products accounted for a much lower proportion of expenditure and the category was ranked in third place amongst the Hangberg and IY communities. Additionally, prepared food hardly figured in the Valley diaries.

> "*Meat and meat products are the most important expenditure category in the cash food budget of all population groups and constitute 31% of the total expenditure on food. Meat is followed by grain products for both Africans (21%) and Coloureds (16 %) while prepared food is second on the list for Whites (21%).*" *(Martins, 2005)*

Fresh Fruit and Vegetables

The second category on a total suburb level for Hout Bay, fresh fruit and vegetables, was visibly missing from Hangberg's top four category list and only, in total, accounted for 9.1% of their expenditure compared to somewhat higher numbers in IY (11.7%) and the Valley (13.3%). Whilst IY's expenditure included very few fruit items and was mostly vegetable-based, the Valley's spend included a wide array of both fruit and vegetables and included seasonal fruit and garden salad ingredients to a large extent.

Milk and Dairy Products

Milk and dairy products made up a much greater share of expenditure in the Hangberg community than in any other community. These items included mainly milk, eggs and a handful of dairy items such as custard and yoghurts. Milk formed the main part of IY's dairy product spend, as it did within the Valley community.

Other interesting points to note are:

- The comparatively large amount of spend allocated to frozen goods in the Valley, and the total absence of this category listed in either other community
- The presence of household items in the top items purchased by Hangberg and IY communities. These household items included paper goods such as toilet paper but also included a wide range of other household items such as candles, insect repellent, a children's lunchbox, and one expensive item that drove up the total expenditure in Hangberg, an iron
- The price of a plastic bag ranged from R0,21 at Checkers/Shoprite, R0,23 at Woolworths and R0,27 at either SuperSpar or QuikSpar – showing the cost of convenience

Decomposing these broad categories into specific products reveals the following rank order of items purchased (by value):

1. Meat
2. Fresh fruit and vegetables
3. Milk
4. Cold beverages
5. Chicken
6. Bread
7. Cold meat

Product Expenditure by Channel

The next step was to interrogate the extent to which these primary products are responsible for driving usage of the informal retail sector as opposed to formal retail outlets.

It is clear that formal outlets are capturing a sizeable proportion of the suburb's expenditure on meat and fresh fruit and vegetables. However, both formal and informal channels are competing for these staple categories and formal retail is only capturing 61% of the expenditure on meat and 65% of the expenditure on fresh fruit and vegetables.

The item that seems to be missing within the Hout Bay environment is chicken. Whilst predominantly bought within a formal environment (and not at the informal butcher), purchases made outside of the suburb were three times the value of those made within Hout Bay. Clearly, better marketing of this staple protein within all communities needs to occur.

Meat, fresh fruit and vegetables were the primary items bought at informal outlets with bread trailing in third place. Interestingly, sales of bread in tuck shops and spazas accounted for two-thirds of all bread sales, and as has been commented on previously, tended to occur first thing in the morning.

Table 14a: Primary Products Purchased by Channel
(Expenditure Across all Three Communities)

	Total Formal		**Total Informal**
Meat	**R894,51**	Meat	**R579,11**
Fresh fruit and vegetables	**R693,67**	Fresh fruit and vegetables	**R368,80**
Chicken	**R350,97**	Bread	**R234,50**
Cold beverages	**R332,02**	Milk	**R145,60**
Cold meat	**R316,54**	Cold beverages	**R95,00**
Milk	**R313,81**	Chicken	**R65,00**
Bread	**R120,21**	Cold meat	**R28,00**

Table 14b: Primary Products Purchased by Channel - Comparison
(Expenditure Across all Three Communities)

	Total Expenditure	**% Total Formal**	**% Total Informal**
Cold meat	R344,54	92	8
Chicken	R415,97	84	16
Cold beverages	R427,02	78	22
Milk	R459,41	68	32
Fresh fruit and vegetables	R1062,47	65	35
Meat	R1473,62	61	39
Bread	R354,71	34	66

Affordability and Accessibility

One of the reasons for the high informal fresh fruit and vegetable proportion is their relative affordability within this retail environment. The absolute cost of these informal purchases, often made from a street vendor (e.g. a bakkie visits Hangberg and IY a few times a week and purchases of individual items can be made) was usually between R3 and R5 in total.

Examples are listed below:

- 4 apples – R4
- 2 peaches – R1
- 2 onions – R3
- 2 tomatoes – R2
- 1 mango – R5
- 1 bunch spinach – R4
- 1 butternut – R3.80
- 1 cabbage – R6
- 6 potatoes – R5
- 4 onions – R5
- 5 tomatoes – R5
- 6 peaches – R5
- 1 pumpkin – R3
- 3 'tamatie' – R3
- 1 'wortels' – R4

Additional insight into the dynamics of fresh fruit and vegetable purchasing is illustrated in the following:

"The veg stall is next to the tuck shop. Their prices are less than Spar or Shoprite." (Hangberg)

"You can get four or five onions for R5 at the veg stall, but for the same amount of money, you only get two or three at Checkers." (Hangberg)

"Checkers doesn't always have nice vegetables – what I want is not always available there." (IY)

The affordability, availability of and access to individual units of fruit and vegetables is obviously a key motivator for purchasing from the informal sector. The formal retailers in Hout Bay should be cognisant of this dynamic and ensure that individual items can be priced separately, should a customer only wish to buy one or a few units of produce. This theme will be repeated in the brief overview of visitors' diaries.

Impulse Purchases

The final analysis on a total suburb context looks at the level of spontaneity or unplanned purchases versus those items that the shopper had planned to purchase at the outlet. In the American literature, it has been suggested that fully 60 to 70% of purchases made in a supermarket are made on impulse (Underhill, 1999). Similar estimates have been made here in South Africa (ACNielsen, 2006).

The findings from this research do not support this level of impulse purchasing. Indeed, whilst not expecting a level akin to the one cited above, the writer was surprised at the relatively low number of unplanned purchases. Probably related to affordability and income levels, the proportions of purchases (on a value basis) that were unplanned were as follows: Hangberg (17%); IY (11%); Valley (19%). Thus, overall, on a value basis, 16% of the purchases were unplanned, compared to a corresponding 15% of purchases on a unit basis.

Even with these low levels, there does seem to be an opportunity for exploitation of spontaneity by retailers, especially those catering more for wealthier customers, given the one in five rands being allocated to unplanned purchases in the Valley, for example.

The second piece of good news for formal retailers is that only a minority of all unplanned purchases were made in informal outlets (12%), suggesting opportunities in formal merchandising and displays to maximise this dynamic. Particular products to leverage, that contributed the most value to unplanned purchases, would be the following:

- Convenience meals (such as pies, ready to heat meals, meals in one e.g. pasta salads)
- Fresh fruit (especially seasonal fruit – consider allocating an end cap)
- Cold beverages (all communities admitted to impulse buying of cool drinks and water. Consider fridges at checkouts)
- Cold meat (such as polony, viennas, assorted cold cuts)
- Confectionery (surprisingly not the leading unplanned category, given its prominence at checkouts)

Temporary Visitors

Two overseas visitors temporarily staying in self-catering accommodation in Hout Bay were recruited to complete the shopping diary over the same week as the nine other diarists. Both visitors were part of a couple, with no children accompanying them. The main findings from these visitors' diaries were as follows:

- Hout Bay was seen as offering a wide range of choices and covered the immediate needs of the visitors. Comparisons to the visitors' home towns were favourable with regard to selection and availability of items
- Whilst eating out at restaurants or at friends' homes was a more frequent occurrence than with permanent residents, the visitors still made purchases totalling R915,95 and R329,89, respectively, over the week
- Product categories purchased were more likely to be for lunch and breakfast occasions rather than for evening meal occasions. Thus, purchases tended to be items such as fresh fruit, ingredients for sandwiches (such as cheese, ham, canned tuna, tomatoes, rolls and so on), salads, jam, dried herbs and salad dressing
- Interestingly, no red meat was purchased by these two visitors, although chicken was represented
- Approximately 60% of the purchase expenditure was made in formal retail outlets in Hout Bay. This is less than the Valley's 79% spend in the local formal sector, but can be explained due to the likelihood of sight-seeing and of greater geographic coverage outside of Hout Bay
- Challenges faced by these visitors largely centred around pack sizes. Both visitors complained about being forced to buy the 'family' pack of vegetables, bread, cold meats and so on, and then either throwing out the balance or repeating the meal the following day. The apparent solution for buying cold meats was to frequent one of the Spars in Hout Bay where single slices can be ordered at the deli section. Bread was also a problem area as the visitors were used to the availability of smaller loaf sizes overseas and were frustrated with only large loaves being available here

Conclusions and Recommendations

Marketing Researchers

Diary research, in and of itself, is fraught with inherent challenges to accurately record all observations. When diary research is undertaken in multi-cultural communities, the challenges get confounded due to the disparity in education levels.

Given these considerations, however, this research experiment lends itself to providing a number of pointers for marketing researchers undertaking a similar exercise.

Influence of Timing of Data Collection

The first recommendation is to consider carefully the timing of the data collection period. Specific factors that need to be accounted for include not only the time of month but also the length or duration of the undertaking. If this experiment were to be repeated, the writer would either move the recording week to a mid-month week or, more optimally, would design the diary to record a full month's worth of observations to capture not only cyclical behaviour as was seen with group purchases and table sharing, but also the different 'month ends'.

Importance of Communication

When conducting detailed research with lesser educated respondents, the learnings from this project would suggest that personal communication is vital to its success as well as written instructions. Personal briefings and debriefings are key to involving the respondents and for clarification purposes. Additionally, the SMS prompt was well received, less needed as a reminding action and more appreciated for its contact purposes. In terms of written documentation, example pages of hypothetical situations work well to not only set the context in the briefing but are also useful as reference points for the respondent.

If a longer data collection period is undertaken, the recommendation would be to hold weekly mini-debriefing sessions at which a discussion could take place regarding any discrepancies, omissions, illegible entries, etc.

Effective Diary Layout

The layout and format of the diary vehicle is obviously critical for the accurate recording of transactions. The inclusion of the day of the week heading, rows in which to record the purchases where there was no receipt and prompter headings on the till receipt pages all combined to create a record which the writer feels was a realistic re-creation of the actual transactions and was one that could easily be administered by lesser educated respondents.

Compensation

Whilst it seems very obvious in hindsight, incentives for participation should ideally consist of non-cash payments so as not to bias the diarists' expenditure.

Overall, the writer was satisfied with the results from this diary experiment and feels assured that with the modifications outlined in this paper, that this approach could be adapted to ensure accurate collection of information for commercial ad hoc marketing research purposes.

Manufacturers/Marketers

A number of suggestions present themselves as opportunities for marketing strategies to be employed in multi-cultural communities.

Include the Entire Community

When there are obvious income disparities within a suburb, as in Hout Bay, the focus of traditional marketing activities would tend towards the wealthier communities and neglect the poorer ones. This tendency is exaggerated if there are other factors contributing to an expansion of the exposure of the wealthy community – in Hout Bay's case, being one of Cape Town's key tourist attractions, both for South African as well as overseas visitors. Marketers need to be wary of falling into the trap of only looking at 'average' income profiles of suburbs and should rather examine the full distribution of income relative to the population as there may be penetration and reach opportunities previously disregarded.

Innovative Marketing Strategies

One example of how marketers (and retailers) can 'forget' about poorer communities is the distribution of 'knock and drop' leaflets. Since there is no formal postal or mailbox drop-off service in an informal settlement, there are few opportunities to distribute these leaflets. This research, however, would suggest that this is a greatly missed opportunity, as residents within these communities are indeed reading these leaflets and selecting where and what they buy based on price promotions. Innovative ways, such as distributing to community centres, or handouts on the street would be appreciated by these communities. Secondly, even NAB admitted that IY in this case was not in 'their footprint' as there is no formal distribution of local newspapers there. Surely, that points to an opportunity.

The timing of any marketing support should also be considered, to optimise the different 'end of months' that occur within any community.

Remember that We're All Alike

Whilst there is no dispute that wealthier communities are spending more money on food than poorer communities, what is shared between all households, regardless of income level, is a basic repertoire of foodstuffs. These staple products form the backbone of fundamental food requirements and could become leverage points for marketers in those categories, given knowledge of the inherent purchasing dynamic within. Knowledge of where the informal sector is gaining ground is key to this understanding.

The Power of the Informal Sector

The power of the informal retail sector can not be under-estimated. This sector not only provides goods and services but also is responsible for employment as most spaza and tuck shops are home-based businesses. This research, coupled with the writer's own observations, would suggest that this channel has been overlooked by many marketers in their distribution strategies.

Good Things Come in Small Packages

In terms of actual product manufacture and retail merchandising, one of the clearest messages that came through from this research (and interestingly, from all three and a half communities) is that marketers need to consider offering smaller pack sizes in multi-cultural communities. This would be appreciated in poorer communities where absolute cost is a core consideration (e.g. "I only have R10 to spend until Friday …" - in this case, a 250ml jar of All Gold tomato sauce for R5 would be a more optimal solution than only being able to find 750ml or 375ml options). A smaller absolute cost also infers the availability of individually priced items, costed on a per unit basis. An acknowledgement of the market's needs regarding small cash outlays in any given buying situation is where the informal sector is gaining ground over formal retailers.

In the course of conducting internet searches for this paper, the writer found the following quote that conveys the same recommendation:

> *"… Product attributes that may help a product succeed in township markets are less expensive and/or single serve package sizes and ambient-stable products that do not require refrigeration. A local research company recently reported findings that confirm this, stating, 'we have heard for the past 20 years that the [low income] consumer wants smaller packaging, but it is still amazing how many manufacturers do not heed that call'." (GAIN Report, 2005)*

Smaller pack offerings would also serve households that aren't made up of a 'typical family of four'. Higher income households would trade up for the convenience of having the correct number of servings in a pack – this was noted especially for meat and bread.

At the other end of the continuum are large value packs or bulk packs. Given the understanding of table and ingredient sharing within the poorer communities, one wonders if the opportunity exists to provide innovative solutions to sharing of these bulk purchases. An example might be to combine extra bags and a scoop alongside a 20kg bag of maize meal in order to aid in allocation to community members.

Additionally, the relative ease of transportation should be considered in the design of larger packs, especially in situations where the shopper will be required to walk great distances from whatever transportation was used to access the retailer.

No Consensus on Meaning of Value for Money

Value for money means different things to poorer and more wealthy households. In the poorer communities, value can mean 'sufficient quality' – something that is 'good enough' at a fair price. This is evident by the volume of unbranded goods that are being bought from the informal sector which are competing with 'like' branded products in the formal sector. This is an important dynamic to bear in mind for retailers, especially in the offering of house brands.

Value for money within more affluent communities can mean buying more for less, at one time. In this case, an understanding of the dynamic of the monthly shop versus the daily shop is critical.

No Stock-Outs Allowed

On a related timing note, determining the potential busy times in the formal retail sector should lead to more timeous distribution strategies and help to negate any stock-outs of key products or signpost brands, such as on a Saturday morning.

Need For Consistent Brand Messages

Brands are a surrogate for quality for poorer communities and although there are no findings presented here on actual brands purchased, the diarists were good about noting the brand names of the informal items purchased. For example, Albany and Blue Ribbon have made inroads here for bread as well as Clover and Dairybelle for milk. If brands are the beacon for quality, then more support needs to be given to them in the informal sector. Likewise, there needs to be consistent marketing support within the entire suburb, as shoppers will be exposed to messages both in their informal environment as well as their formal environment.

Distribution is key, and the marketers who understand the potential for opportunities within these multi-cultural communities will be the ultimate winners in this growing environment.

Retailers

The first fundamental point to make is an obvious one - that retailers also need to take cognisance of the demographics of the communities falling within the hinterland of their store. Understanding these on a community needs basis (not on an ‘average’ basis) should form the foundation of all retail strategies.

Impact of Affordability

Whilst many of the suggestions made above remain relevant for retailers, the key point to reiterate here is one of absolute cost. With an understanding of the relative income levels of the communities that are contributing the volume to these formal outlets, more could be done, it seems in offering goods at a lower absolute cost. Often this could be via price promotions and discounts, but again it could also mean different merchandising strategies such as the sale of individual items costed on an individual basis. If price promotions are undertaken, retailers should create new ways of ensuring that their target customers are indeed aware of these *prior* to coming into the store – as actually getting to the store can often be the primary barrier to purchase.

24/7 Stock Availability

Ensuring stock availability under these circumstances is also critical, given the energy expended to access formal retailers. Priority should be on stocking the main variant volume driver as opposed to weakening exposure by multiple smaller variants taking up valuable facings. And, when available, multiple pack sizes should be displayed, with emphasis on smaller unit sizes.

Role of House Brands

This research would suggest that house brands in this environment would be appealing to poorer shoppers, as they would be offering ‘acceptable quality’. Overseas, this is a growing trend for retailers (in some instances in the United States, private label brands have grown to now generate up to one-half of retail sales) and it could present a leverageable opportunity for retailers in South Africa too.

Stimulation of Impulse Buying

Spontaneous purchases are commonplace in more affluent communities but can also be stimulated within poorer communities by accessibility of relevant items. Appropriate items might be ‘treat’ items such as soft drinks and confectionery, but also could be extended to include staple items, such as offcuts of cold meats or fresh fruit in season, for example.

Understand Barriers to Entry

In Hout Bay’s case, there was only one outlet serving all three communities to any extent, although intermittent shopping was done by the wealthier community at the primary outlet for the other communities. An understanding of the barriers to purchase is important to consider by a retailer in a similar setting. In many cases, the solution for improvement could be more of an experiential or emotional one rather than a rational or functional one concerning prices and product availability. Qualitative research could serve to identify these factors and provide optimal solutions.

Store Layout is Critical

The layout of the store itself is another important component of retail strategy within multi-cultural communities. An examination of traffic flow, density and direction of traffic could help to determine the optimal locations for targeted point of purchase material and displays. Additionally, the location of volume drivers should be analysed and cross-selling opportunities should be maximised within that location. Further research would be warranted in this domain, to fully uncover the opportunities that present themselves within the store environment, that are viable for each community individually rather than collectively.

In Summary

Multi-cultural communities are an increasing phenomenon and cannot be overlooked in marketing and retail strategies. This paper has attempted to highlight some key considerations that today’s marketing and retail community should be aware of in order to optimise tomorrow’s profits.

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