



MASSMART

GROUP UPDATE

## Masscash transforms quiet KZN hardware store into **buzzing Cambridge Food** outlet employing 100 local people



Left: High quality, competitively priced branded goods line the shelves at Cambridge Food KwaMashu.

Right: Cambridge Food KwaMashu operates a counter-service liquor department located just outside the food store.

One of Masscash's newest retail cash and carry businesses is Cambridge Food in KwaMashu, KwaZulu-Natal. Located about half an hour from Durban, it occupies 900m<sup>2</sup> of trading space next to one of the area's largest commuter hubs. The taxi rank brings shoppers to the site when the store opens at 6:00am until closing time at 7:00pm (weekdays). This store's customers' purchases average between R45 and R50 in value, but frequent shopping trips make Cambridge Food KwaMashu a thriving store selling great quality fresh food, national brands and household goods.

### The right location

As a neighbourhood, one thing KwaMashu is not, is boring. "Our customers are friendly and warm," says regional managing director, Craig Surmon, surveying the busy street outside his store on a Monday morning. "There's a great vibe in the store and we enjoy the positive energy. To think that there was a failing business at this site before...it's hard to imagine, looking at it now."

The site met all of Massmart's Masscash division's requirements for a Cambridge Food store: it's located at a busy commuter hub and it can achieve a turnover of at least R50-million per annum

with a high sales intensity per square meter because of the frequency of visits from customers.

Jay Currie, Masscash retail director, says location is critical in Cambridge Food chain's market. "Our research tells us as much as 82% of South Africans do not own cars," says Currie, "and 67% of our nation's food spending comes from this portion of the market. Being conveniently located is critical when shoppers need to be able to hop into some form of public transport with their bags. It simply isn't convenient for them to go to inaccessible stores."

### Retail-wholesale mix

Cambridge Food KwaMashu caters mostly to retail food shoppers; but up to 40% of the sales in a store like this are to local entrepreneurs, such as hawkers and spaza storeowners, who are buying for cash and in bulk to resell. The volumes that these customers purchase allow the store to drive its retail prices down further than it could if the store focused exclusively on retail customers. Currie says, "It's one of the ways we're trying to take the efficiencies of cash and carry and bring them into retail stores. At the same time, Cambridge stores are authentic retail outlets, which are bright, modern and inviting."

### Strong service departments

The retail theatre that brings stores to life is created through high quality service departments and bulk displays of a culturally appropriate choice of fresh foods. Shoppers are choosy in selecting fresh produce and fresh meat and there is a wide enough variety to keep them busy at Cambridge Food KwaMashu.

The butchery is the first department customers see when they enter the store. The chillers are filled with freshly cut and wrapped, great value, high-quality cuts of meat. People in the area are naturally resourceful, and every bit of beef or chicken, for example, is used in some local dish; and chicken feet, turkey drumsticks and sausages line the chillers. Every cut of meat comes from Grade A beef or national quality chicken.

The butchery leads on to another fresh department: fruit and vegetables. Potatoes, onions and tomatoes are sold pre-packed in ambient shelving opposite chilled lettuce, sweet corn, spinach and other fresh produce. A busy fast foods counter, serving crispy fried chicken and other meals, is located next to the baked goods.

The rest of the store is dedicated to groceries. Quality is of utmost importance to the store's customers, so the store stocks mainly

branded goods at affordable prices. "When people have limited funds," says Currie, "every cent they spend must return reliability and usability. Cambridge Food KwaMashu's customers are careful in selecting products they know and trust."

### Who is Masscash division's Cambridge Food?

- There are 22 stores located in Gauteng, North West, KwaZulu-Natal and Free State.
- Cambridge Food earns R2,5-billion per annum in sales.
- 10 to 20 new stores are planned for the next 12 months.

### Employing local people

Most of the store's 100 staff members are from the area of KwaMashu. Bringing employment to the area and developing skills in people are important and attainable goals for the store. Another is engaging meaningfully with the community.

Surmon says they're eager to get involved, but Cambridge Food is still the new kid on the block. "We're finding out how we can engage with the community in ways that will measurably help," he says. "We're talking to people

who live in KwaMashu, to schools and community centres, so that we can understand the needs."

One of Masscash's goals is to build a chain of stores that services the needs of low-income customers in the Living Standard Measurement (LSM) categories of 2 to 7. This is also an opportunity to engage with people—particularly those in the lower LSMs— as more than just retailers, but as potential contributors or partners in valuable projects.

Masscash's aim for Cambridge Food is to be as competitively priced as possible without cutting back on the quality and still delivering a great in-store experience. Currie says, "This store should be the food retail outlet of choice in KwaMashu." ■

### Quick facts: Cambridge Food KwaMashu

- The store's trading area is 900m<sup>2</sup>.
- The average basket size is between R45 and R50.
- The store is next to a busy taxi rank; so the store operates accordingly, from 6:00am to 7:00pm (weekdays).

