

## Shield benefits spazas

The cost and other benefits of tapping into really big retail and wholesale buying power are now flowing all the way down to the country's spaza and tuck shops, thanks to a bold and innovative move by the Shield group.

Shield, a R2 billion turnover-a-year voluntary buying organisation and member of the Massmart Holdings group, currently provides buying and other services to almost 600 food outlets operated by over 400 independent traders throughout South Africa.

"It is these formal-sector traders - our members - who are the springboard from which we are now providing competitive edge support to the informal retail sector," says Shield managing director Ingo Meyer.

"At the last official count (by Unisa's Bureau of Market Research two years ago) spaza shops alone were worth R7.4 billion in annual sales - and, by now, they probably account for well over R10 billion a year," he adds.

Although Shield's Banner Group concept was launched in Gauteng just three months ago, already more than 300 spaza and tuck shop owners - stretching from White River and Rustenburg to Potgietersrust and Olifantsfontein - have bought into it.

"A Banner Group system is structured around an existing Shield member to whom any number of spaza and tuck shop owners in the area can become affiliated by invitation, thus opening the door for them to buy supplies from the member at a discount," says Meyer.

"Furthermore, the free-of-charge affiliation provides to the informal trader virtually the same benefits enjoyed by a full Shield member - including promotional support, free point of sale material, signage, and even delivery services in some cases.

"The combination of these benefits enables the affiliated spaza and tuck shops to be materially more competitive in their trading environments," says Meyer.

But it is not only they who benefit.

Patrick Mpofu, Banner Group account manager at Shield, says the members so far involved are seeing significant increases in their turnover as a result of affiliate buying.

"This, in turn, has an obvious knock-on benefit to Shield itself, by way of added volumes - so it is a three-way win for all the parties concerned," says Mpofu.

Shield's immediate objective, says Meyer, is to build on the success so far achieved in Gauteng - which has the largest concentration of spaza and tuck shops - and adjacent provinces before rolling the Banner Group concept out into the rest of the country.

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