

Tastes of the township

Catering and Stokvel Wholesalers is fast becoming the catering hub of Soweto



Store: **Catering and Stokvel Wholesalers**

Location: **Power Park, Soweto**

Trading floor: **25m²**

Turnover: **After 2 months – R50 000**

By **LAURA DURHAM**

A profound understanding of the emerging market combined with product and marketing knowledge is how business partners, Siwe Nyuswa and Tracey Felicidade Jones are taking the catering market by storm in Soweto with the launch of Catering and Stokvel Wholesalers two months ago.

Bold beginnings

Catering and Stokvel Wholesalers opened its doors in the busy Power Park district of Soweto in July this year after Siwe Nyuswa and Tracey Felicidade Jones realised the market vacuum for caterers and stokvels.

Felicidade Jones, who at the time was in marketing at Nestlé, was visiting Soweto as

Many suppliers do not understand the emerging customer mindset and as a result, are afraid to take the risk, despite the enormous opportunity in the township market.

part of a 'township immersion' to strategise for Maggi's new Out-of-Home campaign. The immersion was led by Nyuswa, director of a consumer insights company, Ntshona Intelligence.

Suppliers may have the products available but distribution and route to market remain key barriers to entry. "We realised there was a huge opportunity to reach caterers in the township but to understand the space properly would take five years in a corporate environment," says Felicidade Jones.

So the women got together and said, "Let's do it!"

Open opportunity

The nearest Makro is two taxis away so small caterers and restaurant owners have to spend a lot of time and money to get their supplies. Organising a function takes a lot of time and effort by small catering companies and stokvel societies in Soweto, which is compounded by their inability to source ingredients in catering sizes and at reasonable prices.

This is the informal market that Nyuswa and Felicidade Jones want to tap into. A stokvel is a group of people that come together for a purpose – from funeral

planning, to bulk groceries to a general savings plan. Nyuswa explains how she too is part of a stokvel with nine other girlfriends and after each putting away R500 a month, in December the accumulated total (and interest) is distributed and used for bulk groceries and Christmas presents. She says that stokvel accounts at banks are still "archaic", with terrible interest rates and limited transaction options.

There is a huge opportunity for companies to tap into this community saving mentality. "Just imagine what a vehicle manufacturer could do with the knowledge of a taxi stokvel, where drivers are putting away R10 000 a month," she says. "But they don't spend the time to understand this," she adds.

Similarly, fast moving consumer goods manufacturers find it difficult to gain any traction in the township because they have failed to understand the emerging market consumer.

"Products and brands can no longer just sell – they need to establish long-term relationships and realise how powerful word of mouth is," comments Nyuswa.

"It's about more than clever marketing – it's about the heart," she adds. Nyuswa

Wholesale storewatch



Catering and Stokvel Wholesalers opened its doors in July this year and is well on its way to becoming a catering community hub in Soweto.

brings the township understanding to the table and Felicidade Jones is able to draw on her extensive product and marketing knowledge (and contacts) to draw support for the new business.

The zebra effect

The women have funded, stocked and promoted the business themselves and leverage each other's energies and synergies. "We call it the zebra effect," laughs Nyuswa.

A shortened line of decision (always a challenge in corporates) and playing to each other's strengths has worked on more than one occasion. For example, the partners found the perfect store location in the business hub – right opposite the Bara Mall, down the road from the Bara taxi rank and with an informal settlement of 10 000 people just behind the centre. For two months Nyuswa had trouble organising the lease until Felicidade Jones stepped in and was able to organise a meeting and sign the lease the next day.

Catering for the community

Too often, suppliers have a poor understanding of the end-consumer of their brands and this is illustrated by weak marketing campaigns and products that do not appeal to township tastes.

Felicidade Jones says they have tried to rectify this by bringing in township flavours, such as Atchar, Peri-Peri and Chakalaka to their



Catering and Stokvel Wholesalers is changing the business for small catering companies and stokvel societies who struggle to source ingredients in catering sizes and at reasonable prices.

store. The sauces, under the Catering and Stokvel Wholesalers label, are high quality but at reasonable prices because of a direct supply from manufacturers. Small taster containers are also available on the counter so customers can try out the range of sauces before committing to a 2- or 5-litre bottle.

The store also stocks well-known brands, including Maggi, Ace and Koo. As an added service, they hand out leaflets and recipes to give customers ideas that they can translate into sales back at their eating establishment.

Just as big companies struggle to find a footing in the township, Nyuswa and Felicidade Jones have had to work hard at marketing and promoting their offering. They have therefore visited numerous caterers and restaurants in the area, and introduced themselves to members of the stokvels to create a database of customers.

Education is also very important – especially because their potential customers are very brand loyal and unwilling to try anything new due to the financial risk.

"We need to get people to accept this new concept of wholesale in the township and explain that our prices are cheap because we are dealing direct with suppliers," says Felicidade Jones.

One restaurant owner summed it up: "Oh, you're the kasi Makro!"

Siwe Nyuswa and Tracey Felicidade Jones are Team Zebra, a powerful combination of marketing strategy and township knowledge.



Trade enquiries: Cell: 079 478 6687 Tel: (011) 830 2038
Fax: (011) 830 2036 Email: mastermind.b@gmail.com / sales@mastermindsa.com



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Opportunity for more business

The store offers a delivery service for customers and they have established a mutually beneficial relationship with their driver, splitting the delivery fee 80/20 to him and paying for his vehicle insurance.

Nyuswa's mother, Nozipho Hlongwane, looks after the shop when the two are out and everyone refers to her fondly as 'Mama'. She provides Siphwe, who parks cars outside their store after school, with mash and gravy each day.

The store is also a platform for others to display their packaging wares. "These are little businesses within our business – and it's all about creating a catering hub in the township," says Nyuswa.

In fact, people have already started asking about franchise opportunities. "But we don't want to run before we walk," says Felicidade Jones. First they need to formalise the business and marketing strategy, discover their top 10 products and create a criteria for social investment.

The store is also a platform for other small businesses to showcase their catering wares.



Catering and Stokvel Wholesalers is bringing in township flavours, such as Atchar, Peri-Peri and Chakalaka to their store. The sauces are available in taster sizes too.

The pair is really looking forward to their first festive season, which is full of weddings and celebrations in the townships, as well as an opportunity for Catering and Stokvel Wholesalers to provide a grocery sourcing and delivery service for stokvels.

Marketing for the township, in the township

One of the biggest challenges faced by Catering & Stokvel Wholesalers is being taken seriously by suppliers, particularly the big corporates. "This is the challenge of all small businesses in the township," says Nyuswa. "Corporates don't understand the market and so they aren't willing to take the risk."

The partnership has overcome this challenge by finding new suppliers. "We



Well-known brands, including Maggi, Ace and Koo are already in-store but the aim is to stock the entire catering basket.

won't give up, we're Team Zebra," says Felicidade Jones.

In addition to creating a catering hub, they would like to see corporates come on board and make use of the marketing management opportunity provided by Catering and Stokvel Wholesalers.

"We would be able to control all the promotional elements: Track sales, see if point-of-sale (POS) activations actually work, track consumer loyalty and test the marketing concept – all at less risk than if suppliers did it themselves," Felicidade Jones explains.

"Let us develop a strategy for you – and then we will get your products into the township," adds Nyuswa.

"That is the beauty of being in this space – unless you're in the township, you'll never see the opportunity."