

Township retailer makes its mark in Cape Town

'The Green Container' achieves 1 000% growth!

BY ANELLE HAMILTON

George Tshabalala started his business in a container in the poverty stricken township of Du Noon in Cape Town in 2002. He only had R3 000 to invest in his little business. However, he had big dreams and today his business generates a turnover of over a million Rand a month. *Wholesale Business* chatted to this modest retailer about his rags-to-riches story.



The Green Container is part of the Metcash Group's BuyRite brand.



Starting out

George was working as a builder in Brits when he was contracted to build a house in Cape Town. However, the transaction did not work out and he was left with no income. With very little money and nowhere else to go, he moved to the Du Noon township near Milnerton where he opened his shop in a container with R3 000 worth of stock. Word spread quickly in the community and the business soon became known as the 'Green Container'. The business started growing and in 2003 he opened another shop in the township. By 2007 his growth rate was 1 155% and he opened a new shop across the road. In 2006 he joined Viva Supa Save and Buyrite and became part of the Metcash group. Last year he was named the Trade Centre 'Retailer of the Year' and he shows no sign of slowing down.

The original 'Green Container' where George started his shop with R3 000 worth of stock.

Helping the community

"My major aim is to uplift and support the local community in any way I can. I am proud to be able to offer these very impoverished people the lowest prices, as I buy in bulk from Trade Centre. My mark-up is only between 3% and 4%," says George. However, his business thrives as he sells massive volumes of stock. For example, he buys eight pallets of eggs every morning, which are sold out before lunch. This equals 90 000 eggs a day! He also sells between four to five pallets of cooking oil a month.

In 2007 George built a church for the community. "It keeps the children off the street and gives them direction in their lives," he adds.

Unfortunately, he operates in a crime hotspot and in 2006 robbers tragically killed his wife. "This was devastating for me and my two young kids. For a while I even considered closing my business, but I worried about what would happen to my community. They have no transport and it would be very hard for them to get food and groceries. This dreadful event has made me stronger and just motivated me to work even harder," he says. The community also returns the favour. They look after George as well and are very protective of their local store. Last year a fire broke out in the nearby squatter camp and it spread quickly through the township. George was away on business at the time and when he arrived at his store he was surprised to see that the locals had carried out his huge amount of stock and packed it safely in the street. They also tip him off about suspicious looking people, while the local taxi drivers look out for potential danger.

George believes in helping the community in any way he can. In 2007, he built a church to get the children in the township off the streets.



Above: George renovated his old house and opened a butchery on the ground floor and a braai area on the top floor, calling it Kwa-George.



Left: Dinner, anyone? These guys prepare your food for you while you wait.

My major aim is to uplift and support the local community in any way I can.

Staying ahead of the competition

He does not feel threatened by the recent opening of a Shoprite Usave store in the area. "My stock is priced right and my customers are very loyal."

Every month he buys a box of sweets for his business. He hands them out to the kids who enter his store. For most of them, it is the only sweet treat they ever receive,

The shop is situated in an impoverished township called Du Noon, near Milnerton in Cape Town.



as their parents are so poor. The parents appreciate this small gesture and the kids pester them to visit the shop on a regular basis.

He believes in maintaining a good relationship with his staff – all of them come from the local community. "Every two months I invite them to my house for a few drinks and we share ideas and discuss possible problems," he says.

George has also renovated his old house, turning it into a butchery. Customers can buy their meat downstairs and his staff will braai their food on the second level.

Stock and promotions

The store carries huge stock levels. "I have a very good relationship with Milnerton Trade Centre. I buy my stock in bulk and fill my shelves on a Monday. By Sunday, everything is sold out already," he says, adding that the shop has become too small to accommodate all his customers, so he has plans to extend it soon.

He says that even when times are tough, retailers have to look at new ways to increase their profits.

"I started experimenting with hampers a while ago. As I was packing them in the store, customers started asking me about them. It was a huge hit and I sold more than 600 hampers in two weeks," he says. The hampers contain basic food items and feature a number of private label

products as well, which are only available from Trade Centre and Metro Cash & Carry branches. Astor Tomato Sauce, for example, is very popular. Customers try out the private label items that are in their hampers and are so impressed with the quality that they come back and ask for that product.

The Green Container also hands out promotional leaflets once a month. Usually five items on the first page of the leaflet are sold at cost, to draw shoppers in. "If my leaflet is a bit late for whatever reason, my customers start asking for it," he says.

Opportunities

He believes that retailers should always look for opportunities to expand their business and in line with this, has established a wholesale operation in the township where he supplies around 63 of the 92 Somalian small businesses in the area. "When I saw all of these Somalian businesses taking off, my motto was 'do not

fight them, supply them!'" By the end of the month, he will be splitting his wholesale and retail customers as he bought another property next door to his present business. One will be the retail outlet and the other will supply his wholesale customers.

Recently, a retailer in Vredenburg contacted George, saying he wanted stock. The Green Container now supplies 46 shops in that area, sending a bakkie with stock every Friday to deliver.

Although his staff is trained well, he believes in being on-site seven days a week. "I do everything myself and believe in a hands-on management style," he says.

George believes the greatest reason for his success is his ability to persevere. "And, always remember, cash is king!"



Buying in bulk equals better prices. The shop carries a huge amount of stock.



Private label items such as Astor and Family Favourite sell very well at this store..