

Hawker hotspots & table top traders

There is a perception that hawkers and tabletop traders are subsistence and survivalist businesses. Far from it. The marketplaces of South Africa are the taxi ranks, the street corners, the trolley pushed down the road honking on an old bicycle horn, even the traffic lights do a roaring mobile trade in both townships and leafy suburbs.

These hawkers and tabletops are sophisticated business people, often doing turnover which will make heads turn among formal supermarkets and stores. And they have been in the rank, on the street corner, or at the traffic lights for years – unmarked real estate jealously protected by the occupants with long waiting lists to get a trading spot or a 'beat' from the resident hawker or trader association.

Beware of the term informal. It misrepresents these spaces, creating perceptions of disorganisation, free-for-all, low income and transient traders. None of these terms are true for more than 80% of hawkers and tabletop traders, with most of these traders resident and trading where they are for anything from two to 15 years and making very decent incomes from their trade.

Take Mike, the *Kasi* greengrocer... I wrote about him in *Kasinomic Revolution*. He is rightfully proud of his hawker stand which he animatedly talks about. His hand sweeps across his stall in



Tembisa. It's a large stall, maybe five metres wide and three metres deep –shelves and boxes stacked on the floor and, in a rickety marvel of balancing and hanging shelves, rising up to the roof which

is an old billboard with 'Vaseline' barely visible in the faded canvas. Fresh veggies are stacked on this mishmash of shelves, all carefully packed in price point packets.

A *sishebo* combo of half a cabbage, two potatoes, a green pepper, four carrots – perfectly packed for making a *sishebo*, the staple stew of Africa. Next to the combo are rows of plastic plates stacked with tomatoes in different quantities – five for R5, two for R2,50 and so on. The same with a pile of robots ... these are green, red and yellow peppers, looking for all the world like street lights and named as such by the locals. Potatoes on plates, in bags, butternuts in singles and in doubles and in halves, cabbages in quarters, halves and wholes, the whole range of vegetables carefully priced to hit certain affordable price points and unit coinage, R2, R5, R10, R15, perfectly portion-controlled for a family of three, four, five, eight– for the meals of the township: *sishebo*, fried cabbage with onion and tomato, *shutni*, *chakalaka* and many others. The Pick n Pay, about 50 metres away, has no idea of these *kasi* meals, these combos, these price points, and so doesn't stand a chance against his selection and combinations, even though in many instances his vegetables are slightly more expensive.

At first Mike found an old trolley which he pushed down the street, ringing an old bicycle bell he had rigged on the trolley handle. He sorted his veggies according to meals and to price points and they sold well. To quote Mike ...

“ You need to know people, what they eat, how much they need so they don't waste, what they can afford. That's the secret of this business. ”



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“But then also you need fresh vegetables and to have relationships with your customers. You know, sometimes they are short and I say how much do you have, they say R5, I give them R7 vegetables for that R5. They respect you and they come back.” I smile trying to imagine Pick n Pay doing the same!

“HA!” he exclaims, grinning a bright white smile in a dark-skinned face under his floppy hat ...

“ Today, look,
I employ three people,
I have my own bakkie, a Nissan,
business is good! ”

Mike turns over R10 000 to R15 000 a day. He stocks up every morning at 5am, spending between R5 000 and R10 000 every time he stocks up. He phones and checks prices all the time, and if there is a special on certain veggies he gets it first. His stall is open from 5am to 7pm, seven days a week.

40-60% (depending on the produce) of the Jo'burg Fresh Produce Market's almost R5 billion a year turnover is bought by the hawker and informal trade – that just gives an idea of the scale of this hawker trade in fruit and vegetables.

But it's not just vegetables and unbranded goods that sell. The entire ambit of goods from DSTV dishes and decoders to rat poison, from branded lotion to traditional herbal *muti*, from homemade ice lollies called '*isiqeda*' to Cokes and the ubiquitous Mayo Frozen Yoghurt. *Fong kongs* side by side with branded premium brands, each with its place and its customer profile.



Maria Magwaza sells Rattex, she has a thriving business killing rats. She buys her poison from Mursul Cash & Carry for R5 a packet and sells it for R8 a packet. She also sells mosquito repellent, ant poison, clothes moth poison. She's in the killing business!

Some of her goods are cheap Chinese imports, another an Australian brand. "Look these are *fong kong*, but good *fong kong*," she boasts. But many are branded products: Rattex, some Doom. "Generally," she complains, "these branded ones are the best, but they come in too big sizes. Look at this Rattex. How many rats do they think we have in our houses?" So she decants and repackages some packs into single units more appropriate to her price points, R1, R2, R5, or customers' needs.

Maria's eyes sparkle as she points out which poison does what. Despite her 60-odd years and hours spent perched on a crate next to her makeshift table, her skin is smooth and creamy brown. She chatters away to Mandisa next to her who sells an assortment of combs, purse mirrors, razor blades, heart-shaped mirrors and hair accessories. She is never bored. Either her customers come by and chat about the latest gossip, or she discusses life with Mandisa. Maria can sell 100 sachets a day, making herself a good R300 a day or R7 200 a month. (Excerpt from *Kasinomic Revolution*.)



By my estimates there are around 500 000 mobile hawkkers, table-tops and pavement traders in South Africa, and the typical trader will make a minimum of R2 500 profit a month all the way up to R15 000 profit.

It's a huge, diversified sector, too often ignored by brand owners outside of the typical Chappies, mints, headache tablets, airtime, Cokes, Dragon energy drinks and cigarette sectors. But it would be a huge mistake to not consider that every brand should penetrate the hawkker trade. Of course, there are *fong kong*s and counterfeit products, but the bulk is not. The consumer who shops at the formal retailer or at the mall spends more time in the rank and high street market than in the formal trade. Reaching your customer and selling your brand here is an important link in the chain.



The key to accessing this sector is first the route to market. Traders generally draw from the closest cash and carry or midi wholesaler which is in walking distance or short taxi ride away. These cash and carries circle most hawkker areas and bulk break large cases into smaller pack configurations, offer value such as storage, coin recycling and other value-adds to a loyal customer base. Supplying these wholesalers is important. Another opportunity is basic branding of hawkkers and hawkker trading spaces with bibs, aprons, tablecloths, gazebos and dispensers or coolers. Most of all, create trade relationships with these traders. Most have been there for years, are part of vibrant business communities and are face to face with your consumers daily. **SR**



GG Alcock is the author of *Third World Child: White Born Zulu Bred*, *KasiNomics: African Informal Economies and the People Who Inhabit Them*, and *Kasinomic Revolution: The Rise of African Informal Economies*. He is the founder of Minanawe Marketing and is a specialist in informal & Kasi (township) economies, marketing and route to market strategies. Visit www.ggalcock.com

