



Finding Growth in Tough Times



- Introduction to Eighty20

- Post Covid and Economic Stress

- The South African Consumer

- Finding Growth – Suburb Profiler



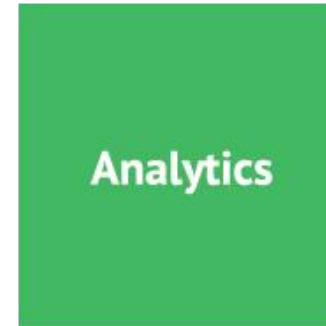
We help our clients use data to build brands that are loved by customers and profitable for business



Who we are

Eighty20 is a data-driven consumer analytics and research business providing a range of services and data products, including a detailed view of all 43 million adult South Africans representing over R4 trillion in earnings per annum.

Eighty20 uses its combination of strategy, analytics, research and development capabilities to help leading brands execute customer centric strategies that are loved by customers and profitable for business.



1

Understand who your customers are, what they look like and how they behave



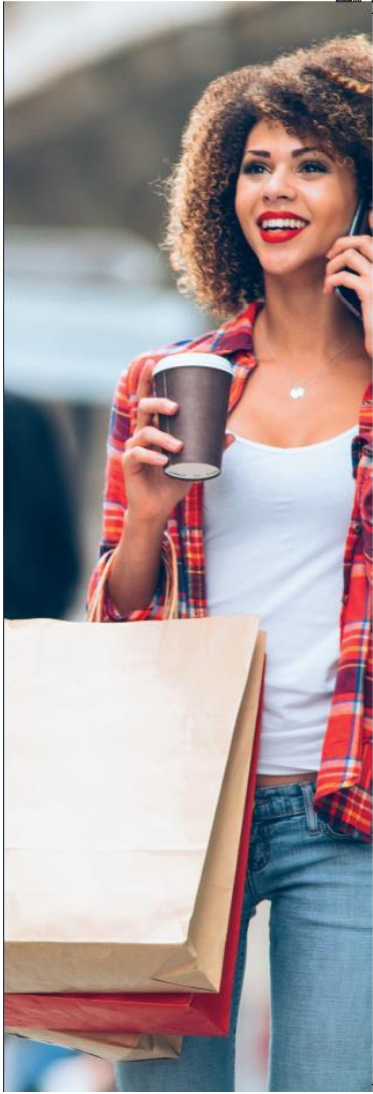
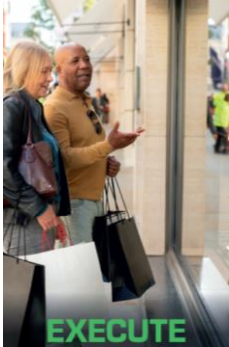
2

Identify and size opportunities with your customers and 'not yet' customers



3

Execute quickly on customer strategies to achieve sustained growth

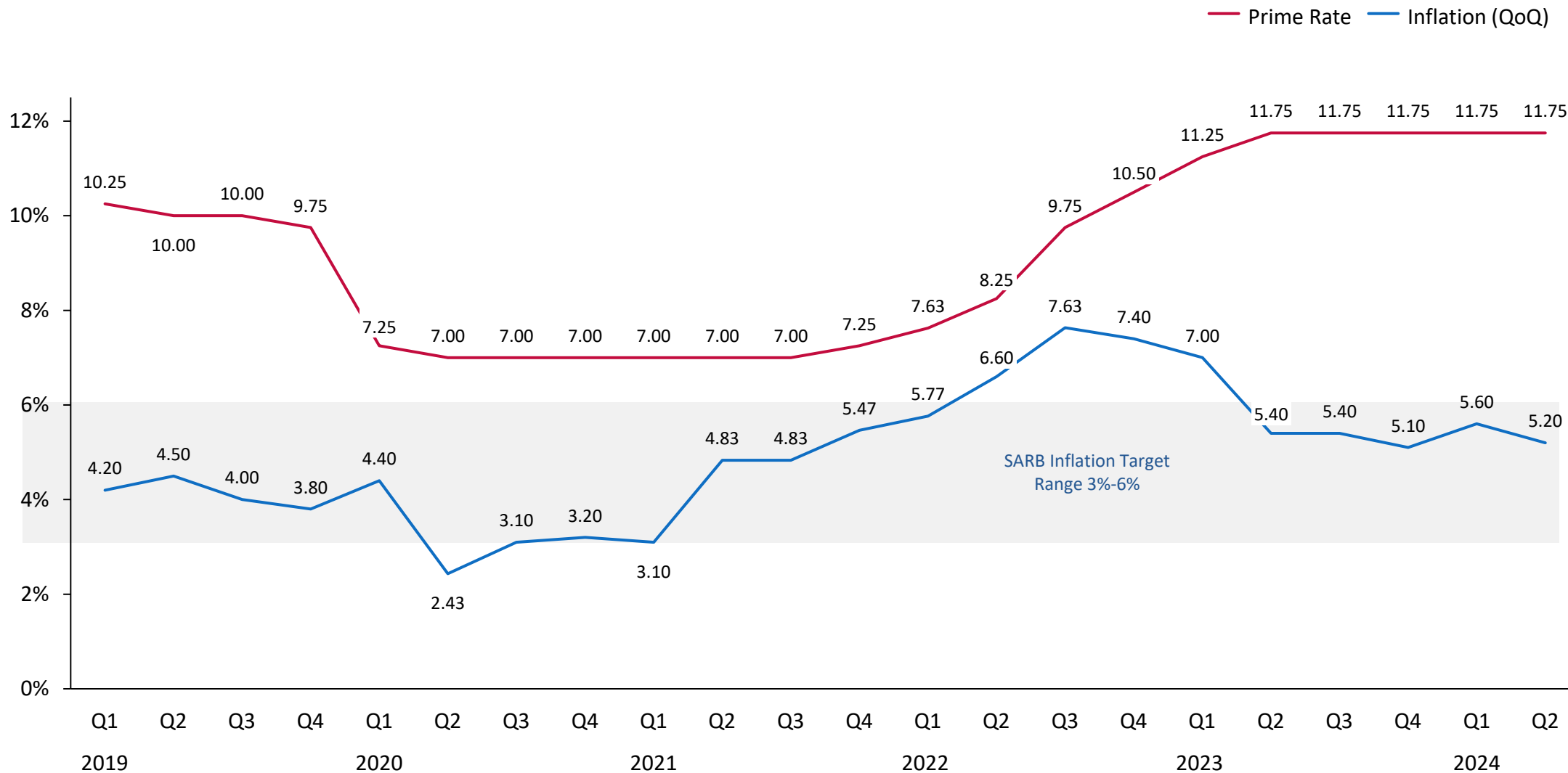


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Inflation has returned to within the target range and interest rates are expected to decrease end of year. A R1.5m home loan taken out in mid-2021 now costs R3,400 pm more to service

Inflation (Average for Quarter) and Prime Rate : 2019-2024



**Q1
2021-2024
Growth**

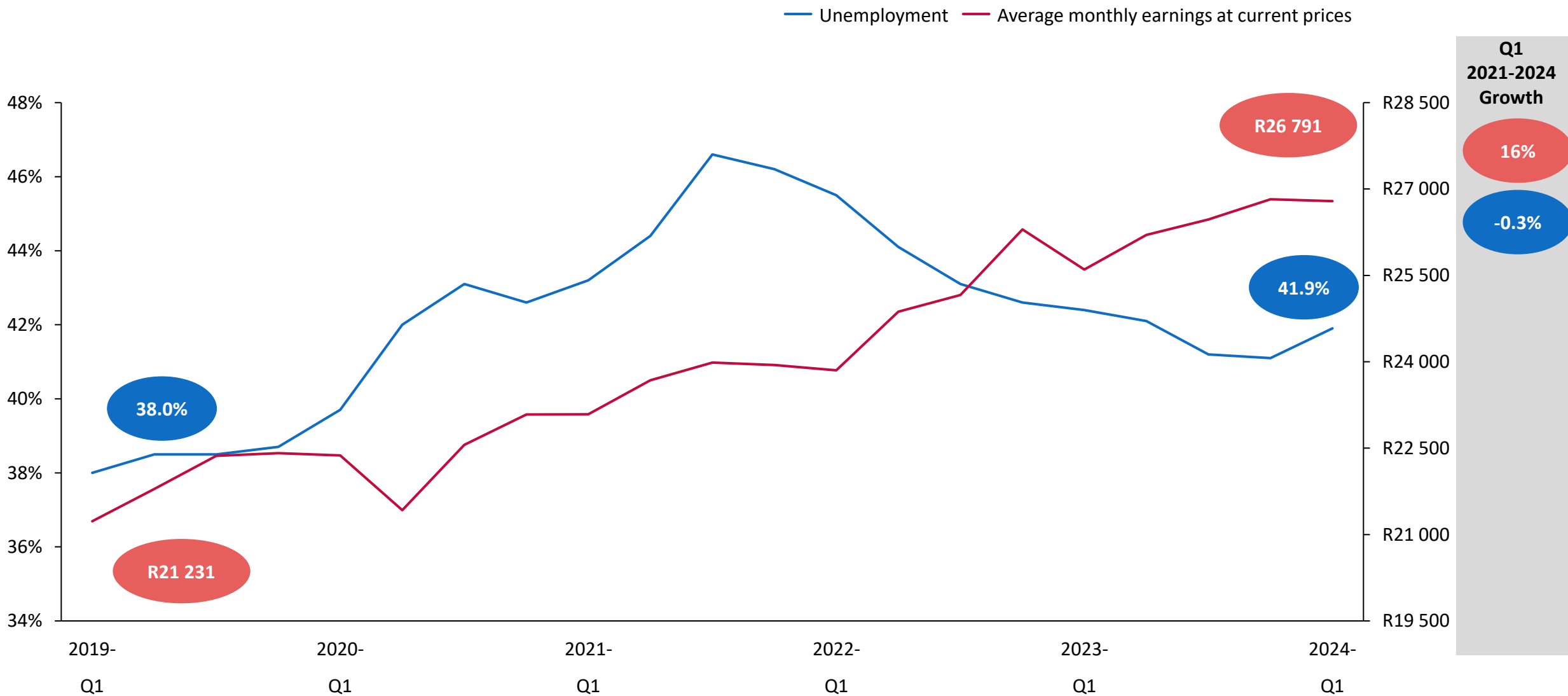
68%

68%

SARB Inflation Target
Range 3%-6%

The expanded definition of unemployment rate is nearly 42%, while the official rate is 10% less. The unemployment rate has been quite variable, but down 3% from 2021, while salaries grew by 16%, inflation at 19% past 3 years. between 2021 and 2024 real wages have gone down by 3%.

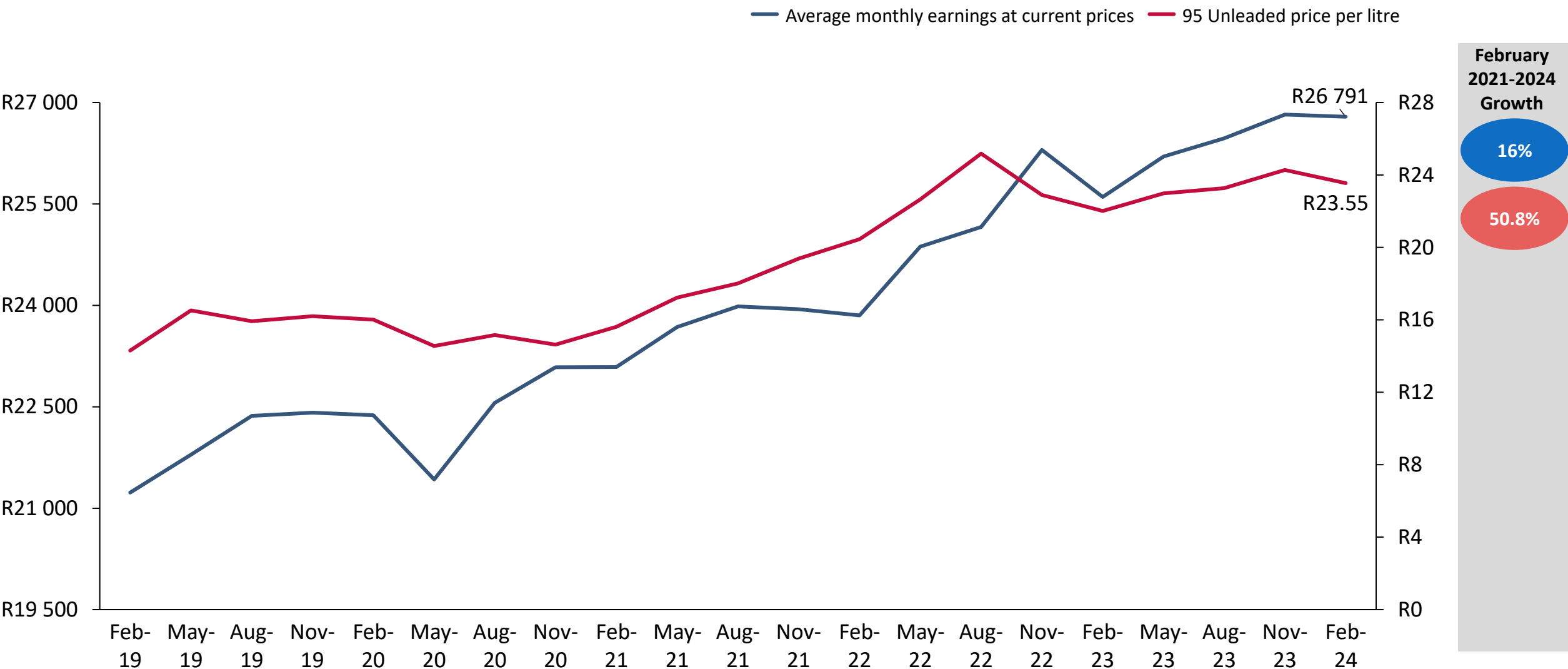
Quarterly Unemployment Rates (Adults 15-64) and Average monthly earnings at current prices



Source: StatsSA

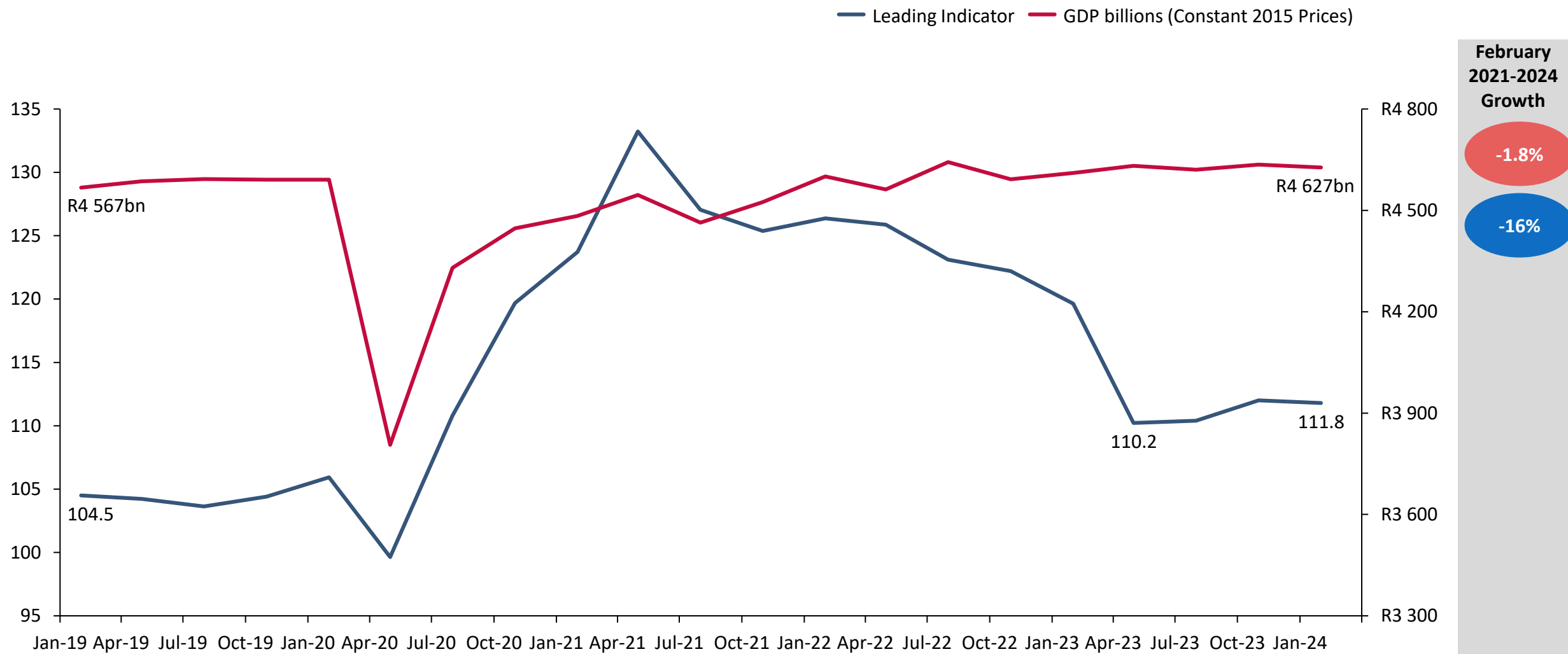
In three years, average monthly earnings have gone up 16%, while the price of fuel went up 51%

Average monthly earnings at current prices and 95 unleaded price



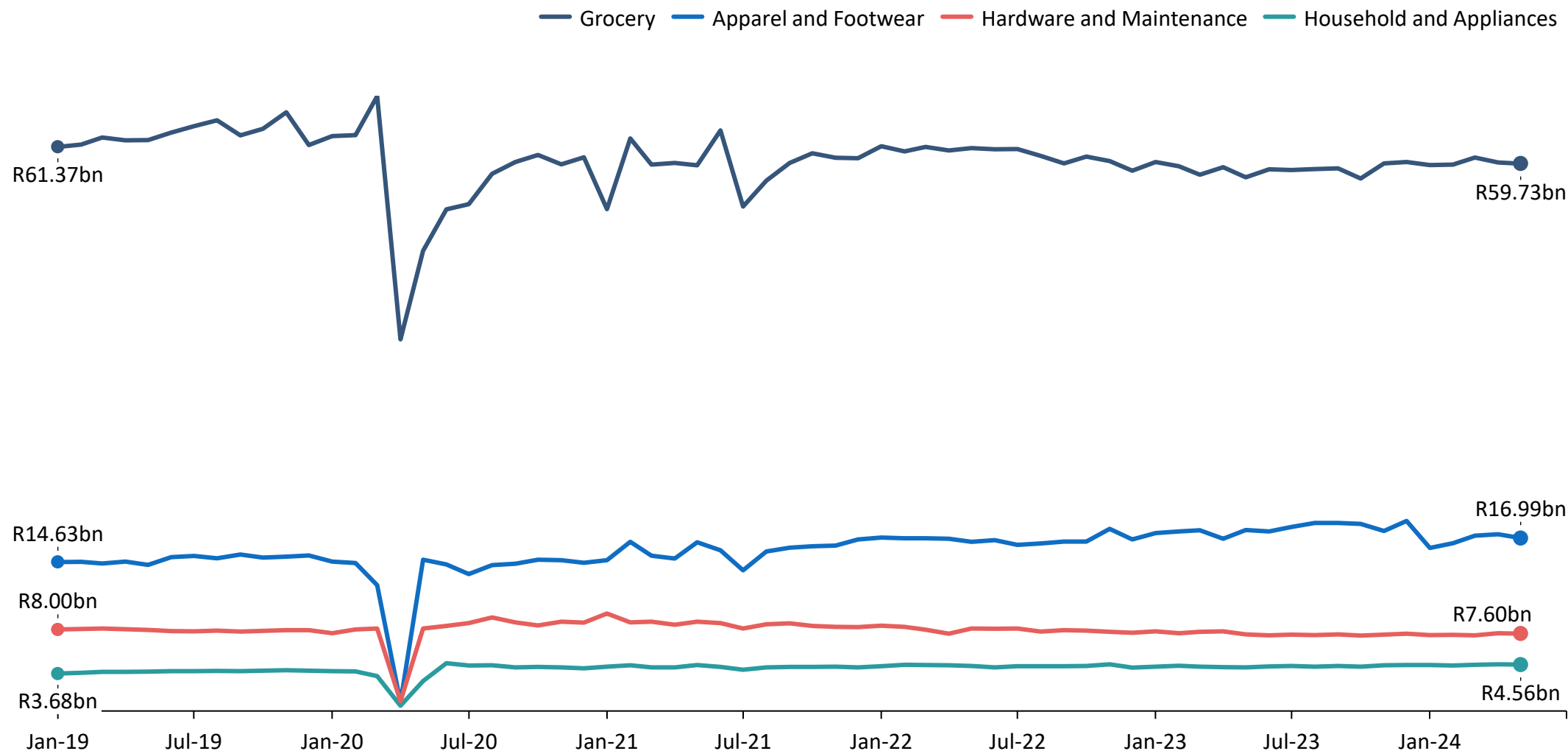
GDP has only grown in past 3 years by 1.8% in real terms, but looking at leading indicator, we have good news ahead.

GDP growth and leading indicator



In real terms, grocery and household appliances have barely grown over the last three years, Hardware and Maintenance has done particularly badly over the period. Year on year to May 2024, we've seen growth in all categories except Apparel.

Retail Trade Sales at Constant Prices: Category 2019-2024



May
2021-2024
Growth

+0.3

+2.5%

-13.4%

+0.9

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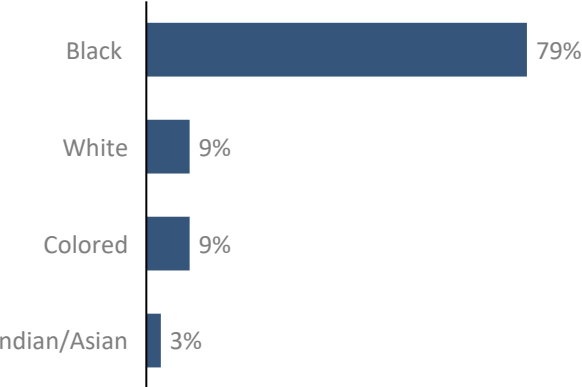


South Africa has a population of about 62m (46m are adults). 79% are black, 36% have some form of employment, 33% have matric (10% with higher education). Nearly half our population is younger than 35, and half have matric or less. Only a quarter are married or living with a partner.

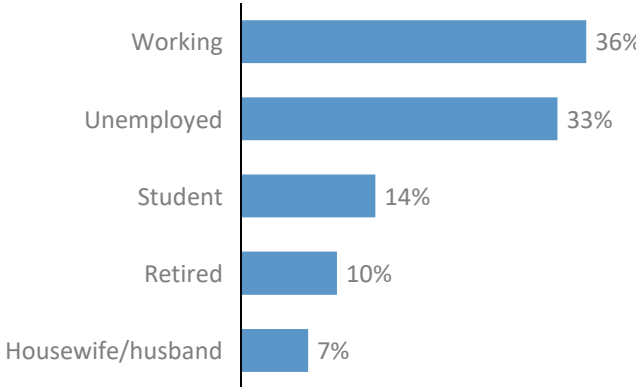


TOTAL ADULT (15+) POPULATION
(Size: 45.7 million)

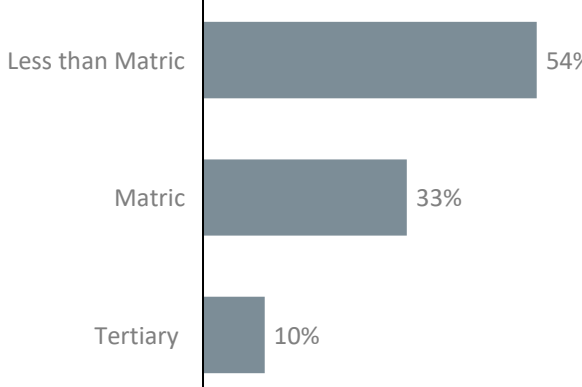
POPULATION GROUP



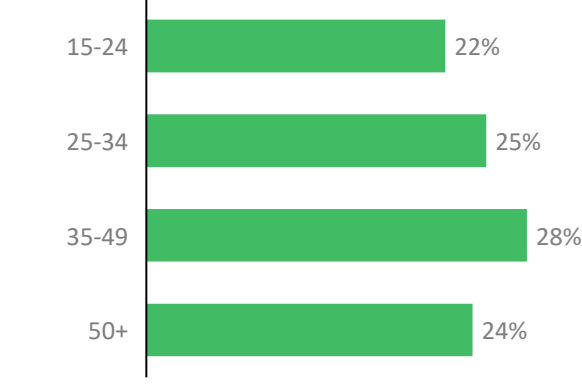
WORK STATUS



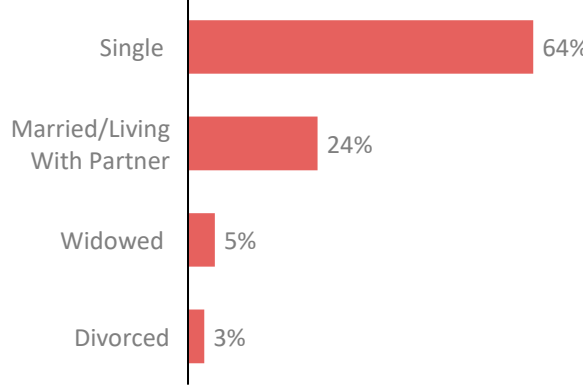
EDUCATION



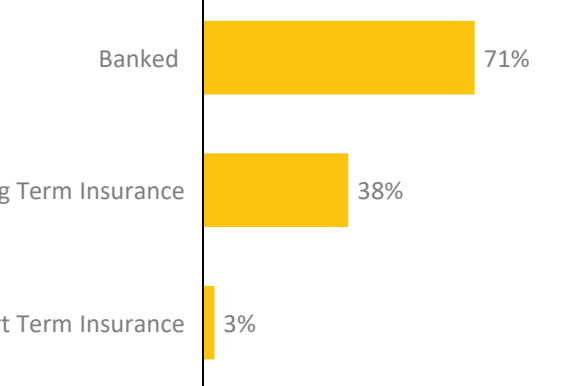
AGE BAND



MARITAL STATUS



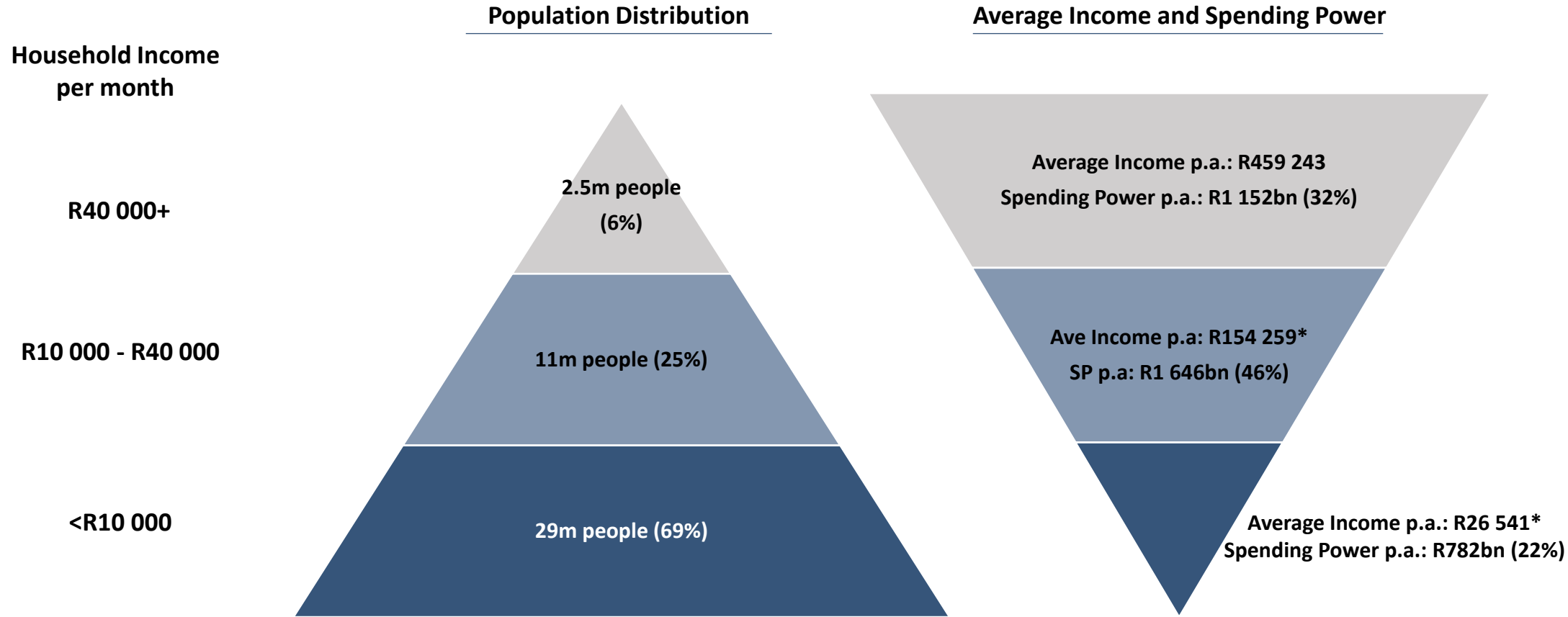
FINANCIAL SERVICES



Source: MAPS 2023

South Africa is one of the most unequal societies in the world. The 2.5m people in households with a monthly income greater than R40,000 have 1.5x the spending power of the 29m people in households earning less than R10,000

Income and Population Distribution: MAPS 2022



South Africa's spending power is concentrated among a fraction of the population

- 1/3rd (5m) of employed people pay personal income tax, with the top 4% of taxpayers (about 200,000 people) contributing about 24%.
- Nearly 90% of South Africans earn less than R10 000 per month personal income

Source: MAPS 2022.* Average Annual per capita Spending Power

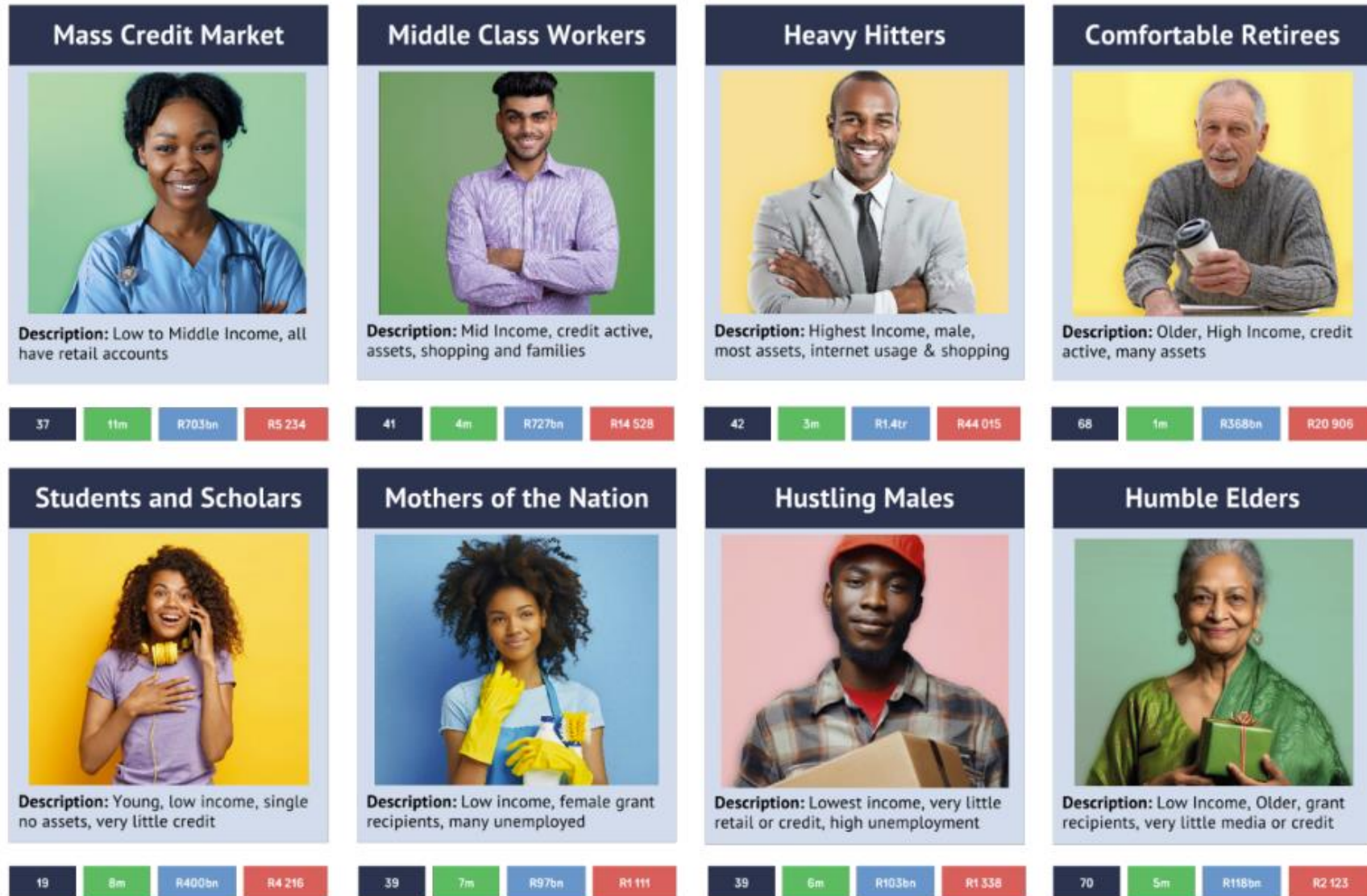
Location and pricing are the most important factors used by customers to determine where to shop

Why do you do most of your grocery shopping at the store you use most often?

2020 2021 2022 2023



The ENS contains a vast number of variables ranging from traditional financial affluency and demographic datapoints to imputed variables including household size & composition, retail and internet behaviour, digital adoption, media consumption, interests, hobbies and psychographics.



Note: Spending power is the total gross annual income for a given segment

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Where do we find growth in the current climate?



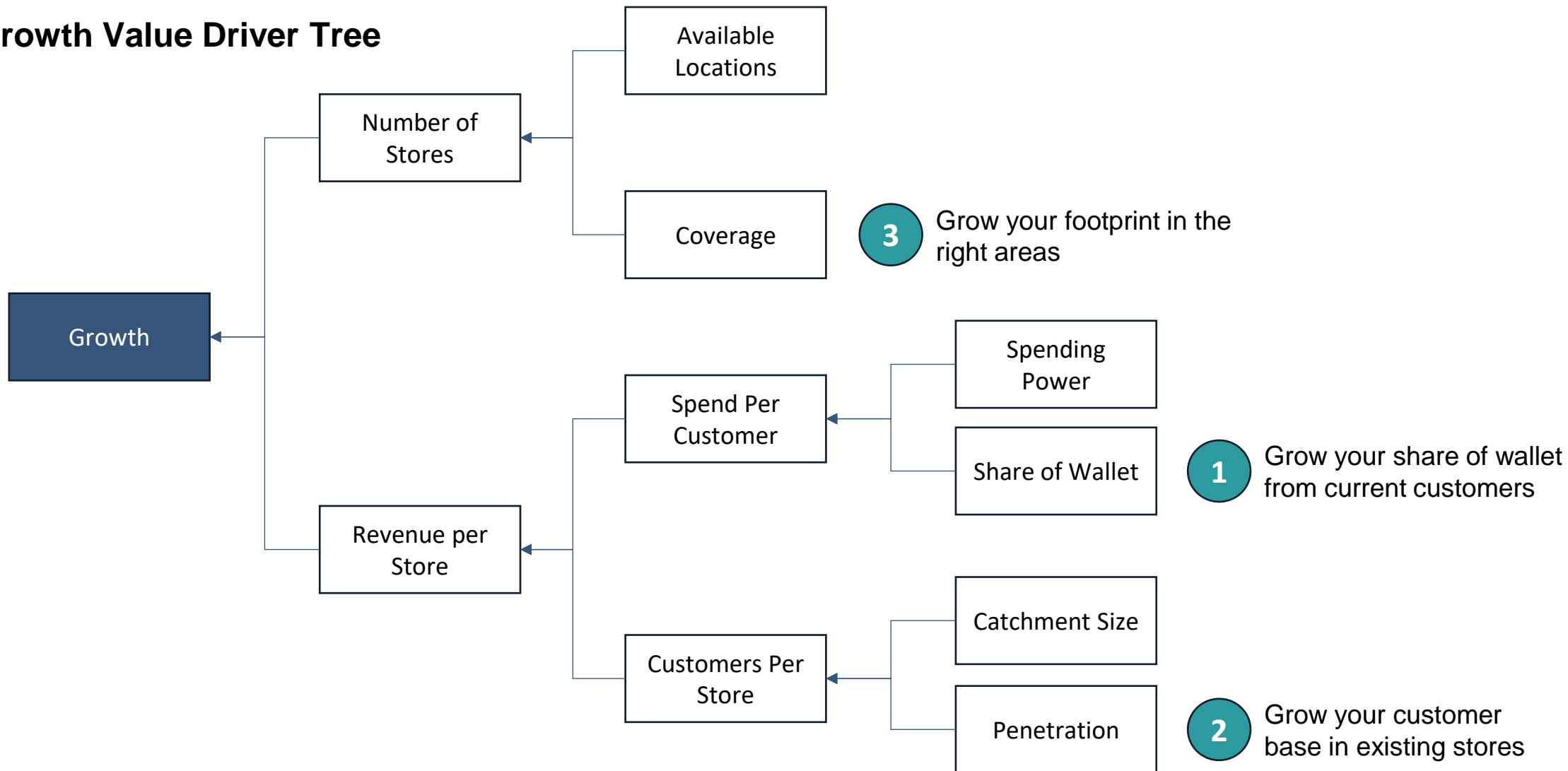
There have been some clear winners



Checkers

There are three main drivers for growth – but which has the greatest potential for you?

Growth Value Driver Tree



But how do you...

1

Grow your share of wallet from current customers

Understand who your customers are and what they look like

Determine how much of their spending power is spent with you

Target segments who are under spending with you

2

Grow your customer base in existing stores

Find out where your customer base are coming from

Understanding how many consumers are in those areas

Identify areas which have high growth potential and the type of shoppers in these areas

3

Grow your footprint in the right areas

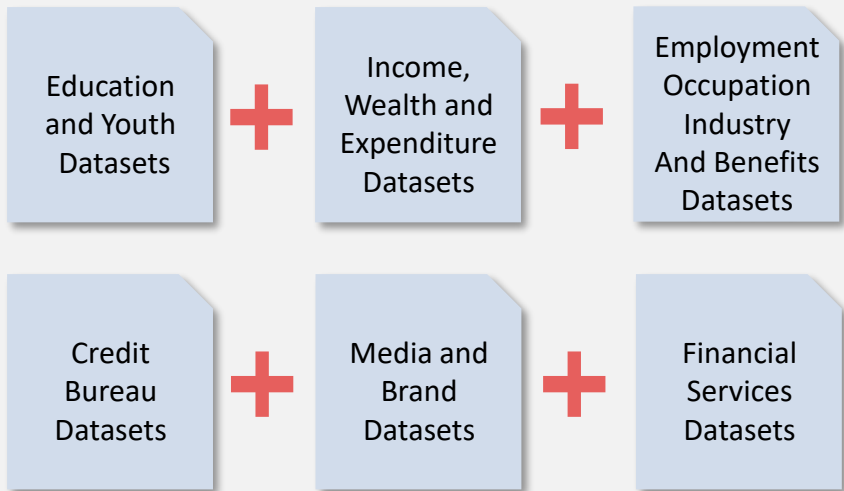
Find out which areas have consumer who match your target market

Determine how well they are serviced by your current footprint

Identify the white space, and prioritise based on its potential spending power

We developed a data set called the Eighty20 National Segmentation which provides a view of every South African which you can map your customers to and view geospatially

The ENS - 7 Datasets Fused to Create a View of Every Adult South African



Mass Credit Market Description: Low to Middle Income, all have retail accounts 8 12m R754bn R9 901	Middle Class Workers Description: Mid Income, credit active, assets, shopping and families 4 4m R730bn R23 000	Heavy Hitters Description: Highest Income, male, most assets, internet usage & shopping 7 3m R1.3bn R42 574	Comfortable Retirees Description: Older, High Income, credit active, many assets 4 2m R462bn R21 000
Students and Scholars Description: Young, low income, single no assets, very little credit 4 4m R82bn R1 512	Mothers of the Nation Description: Low income, female grant recipients, many unemployed 8 7m R88bn R1 106	Hustling Males Description: Lowest income, very little retail or credit, high unemployment 8 6m R47bn R689	Humble Elders Description: Low income, Older, grant recipients, very little media or credit 3 4m R122bn R1 918

Providing an Enriched View of Your Customer by Mapping Them

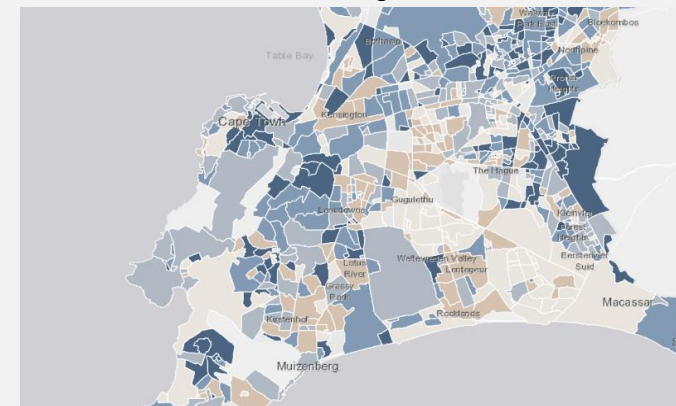


Busi

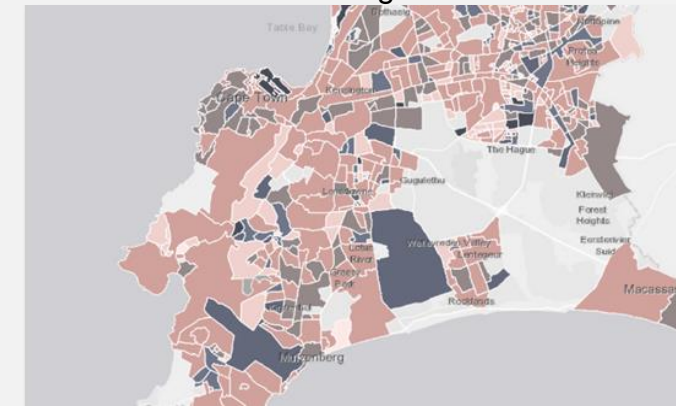
- 35 years old
- Female
- Married, living in Claremont
- R 23 000 per personal income
- Two Children
- Marketing Manager

Overlaid geospatially to provide detailed views by location

Penetration into Areas by ENS Segment



Remaining Spending Power by ENS Segments



Some examples of answering these questions

1 Grow your share of wallet from current customers

Growing sales in poorer performing stores



2 Grow your customer base in existing stores

Increasing customers numbers in the Western Cape



3 Grow your footprint in the right areas

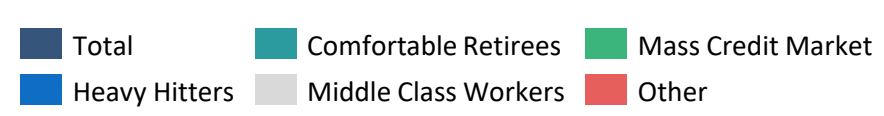
Looking to grow delivery coverage



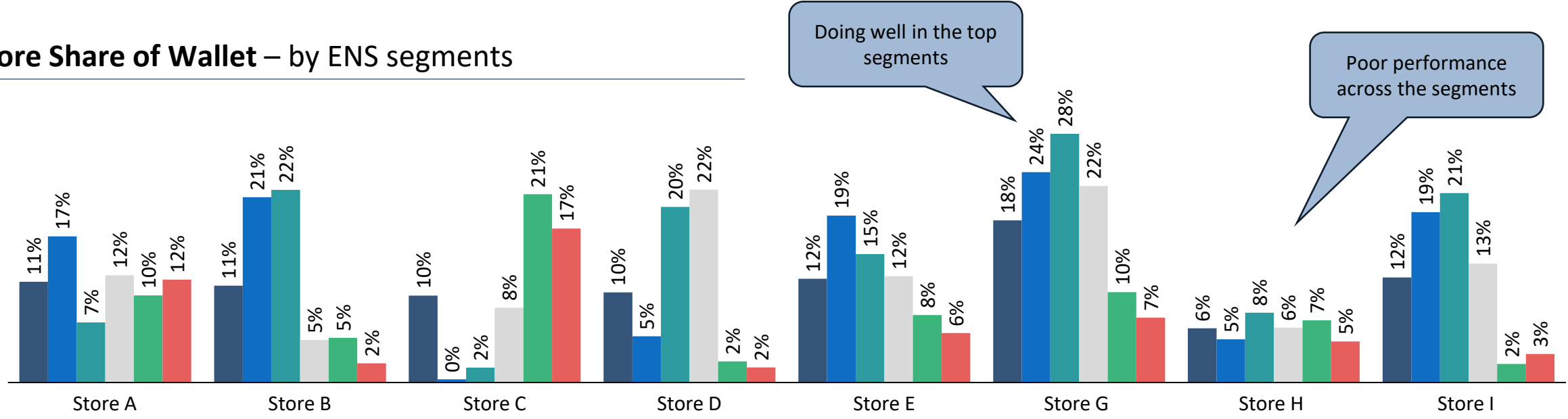
1

Grow your share of wallet from current customers

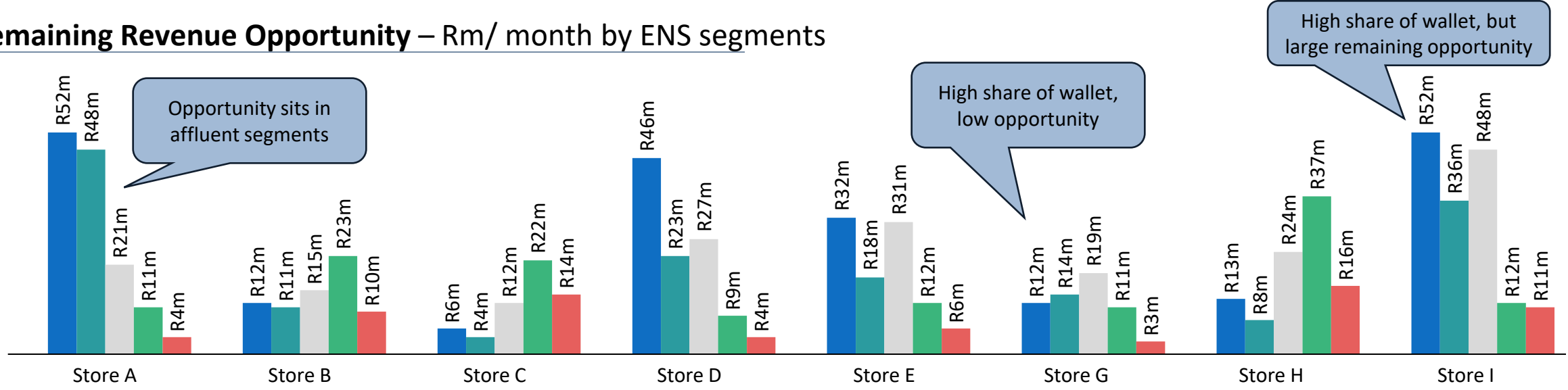
Retailer A - Growing sales in poorer performing stores



Store Share of Wallet – by ENS segments



Remaining Revenue Opportunity – Rm/ month by ENS segments

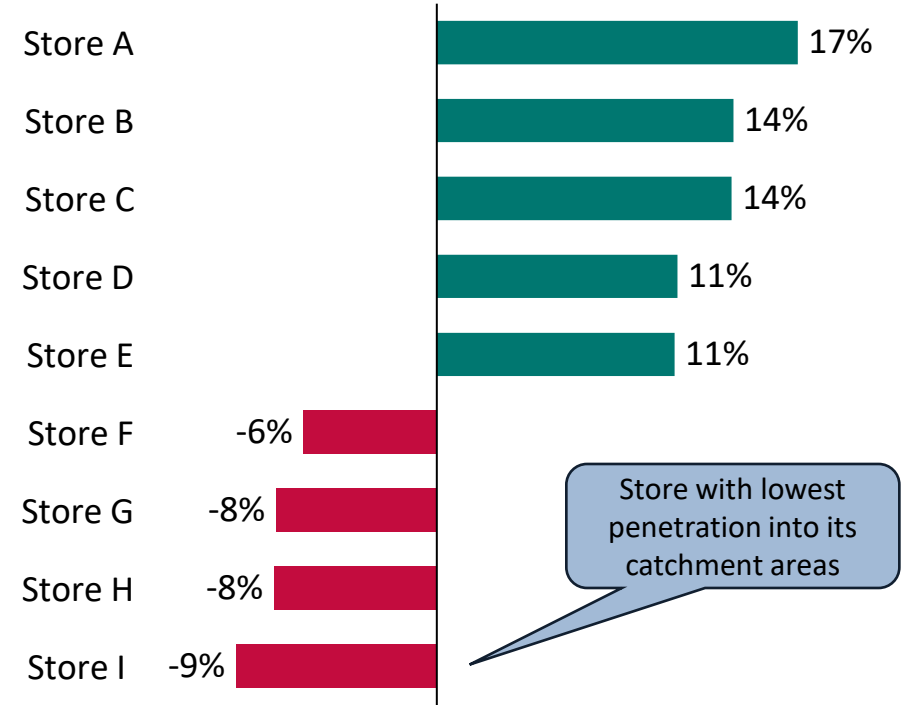


Grow your customer base in existing stores

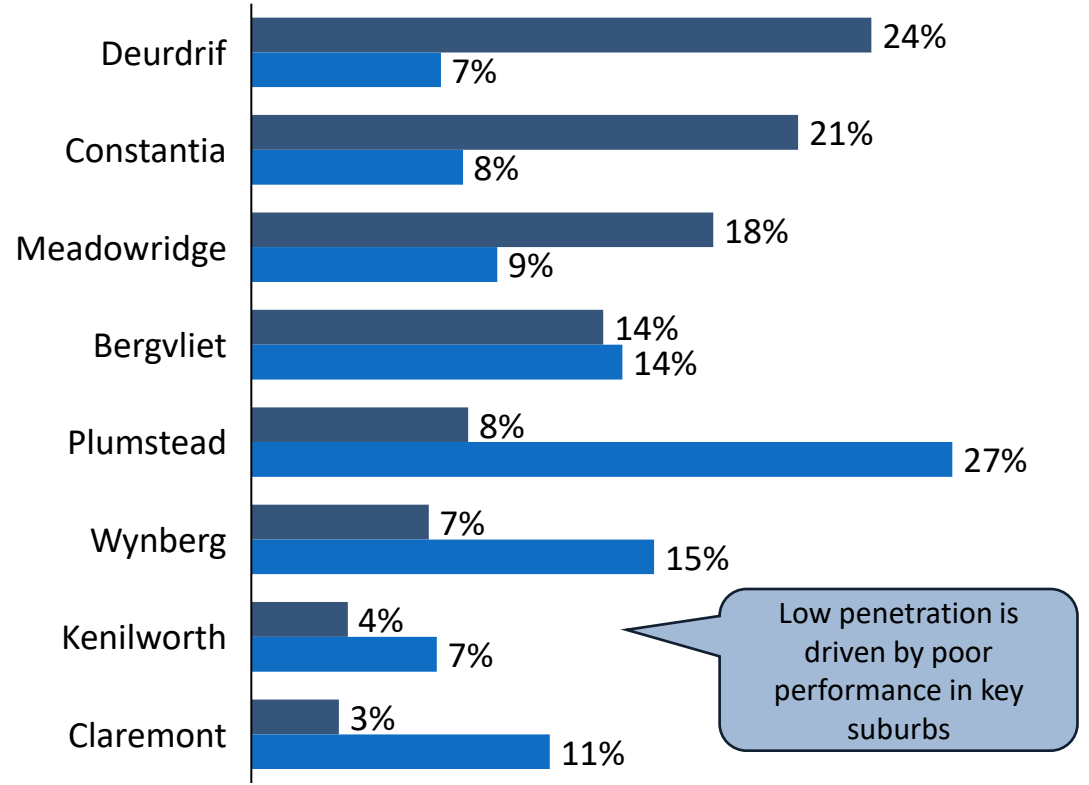
Retailer B – Increasing customers numbers in the Western Cape



Stores Customer Performance – Relative catchment area penetration



Store I's Penetration by Suburb



Underperforming stores can be identified – in terms of number of consumers and spending power
This can also be looked at across the Eighty20 National Segments

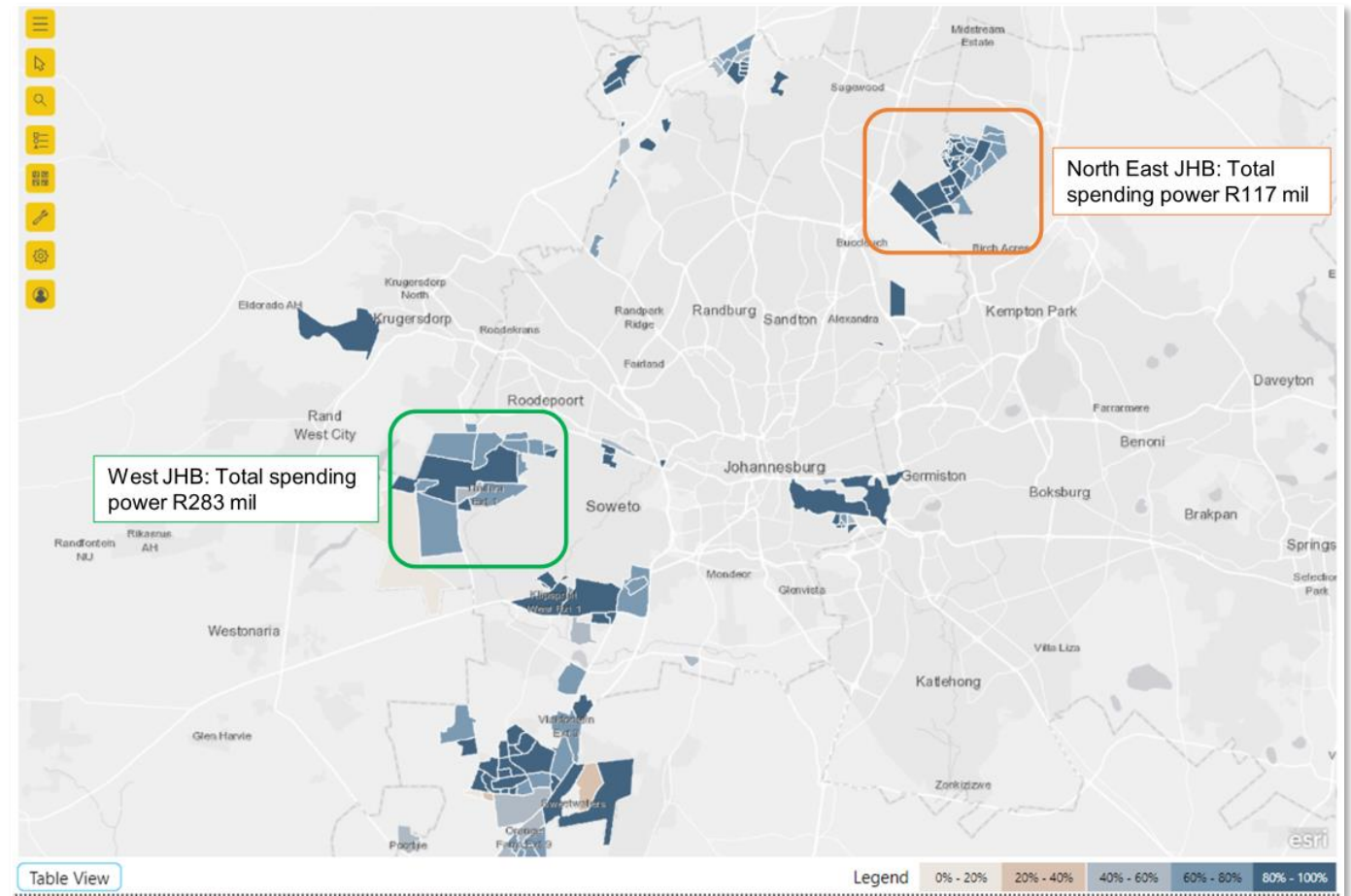
Approach

A delivery service was looking to grow by increasing its footprint

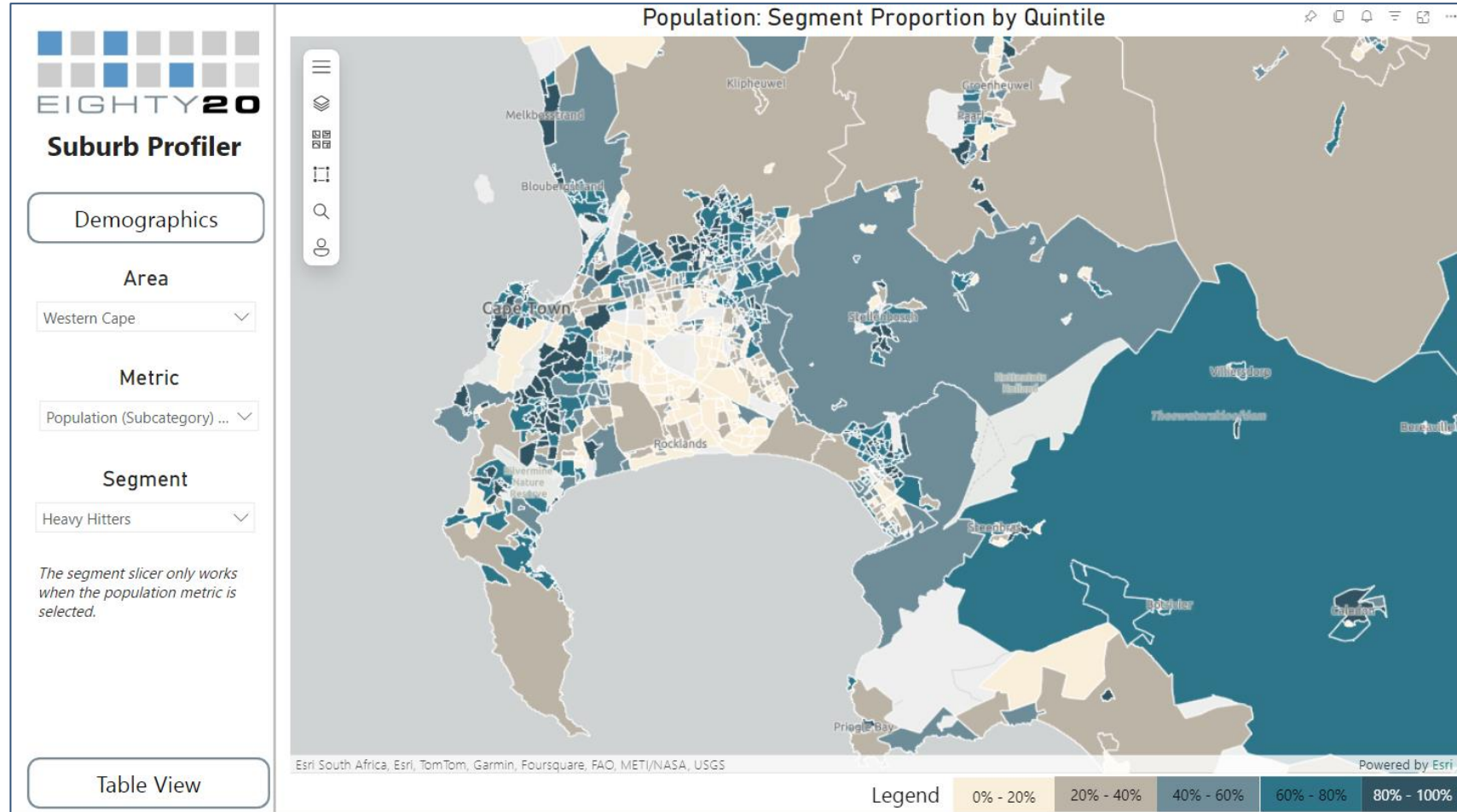
But it needed to identify areas with the right consumer – in this case Heavy Hitters

Looking at Johannesburg, it was clear to see which areas had high spending power but were under serviced

These areas were then evaluated for future growth and expansion

Not Services Locations – with high proportion of Heavy Hitters

The Eighty20 Suburb Profiler helps clients find suburbs where they are more likely to find consumers from certain segments, or that shop at certain stores



- As can be seen in the Suburb Profiler on the left, people in the Heavy Hitters segment are concentrated in Camp's Bay, Constantia Heights in Cape Town, Die Boord in Stellenbosch, and Erinvale Golf Estate in Somerset West

The Sub-segment view shows:

- People in the Elite Married segment can be found in George and Mossel Bay
- Wealthy Pre-retirees can be found in Glenvista, Stellenbosch and Sea Point
- Elite Singles live in Brenton on Sea, Fourways and Bitou.
- Up and Coming Couples reside in Somerset Park and Mouille Point
- University Educated Retirees can be found in Kloof and Mombela.



Thank You

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