

Applying Consumer Research to Microfranchising in South Africa

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Key messages

- > South Africa faces two critical public health issues: the double burden of malnutrition and micronutrient malnutrition.
- > One way of combating this is by promoting fortified versions of affordable foods.
- > Sizanani Mzanzi promotes a social microfranchising business that empowers people in South Africa and improves their quality of life.
- > Sizanani Mzanzi applied consumer research to the microfranchising business model, using shopping, food diaries and in-depth interviews to generate consumer insights that can be used to positively shape the market for affordable, fortified foods in Soweto, South Africa.

A glimpse from the field

South Africa faces two critical public health issues: the double burden of malnutrition and micronutrient malnutrition. The double burden is when undernourished and overnourished individuals live in the same community or household. Nearly a third of South African children are undernourished, while more than 50 per cent of adults in South Africa are overweight or obese, and vitamin A and iron deficiency remain a public health problem in South Africa.¹ There are various approaches to address the issue of micronutrient malnutrition. We can, for instance,

promote the consumption of nutrient-dense foods such as fruits, vegetables, and animal-source foods; however, these products tend to be expensive and unaffordable to low-income families. Another approach is by promoting affordable, fortified foods that are commonly consumed.

As reported in issue 1/2015 of this magazine, Sizanani Mzanzi (Zulu for “Help each other South Africa”) was founded in 2014 by *Sight and Life* and DSM South Africa. The organization is dedicated to improving South Africans’ access to quality, affordable social goods. It does this by developing social microfranchising businesses that empower people to achieve a better quality of life. After a successful six-month program, Sizanani Mzanzi introduced two fortified products to the market: a flavored instant porridge and a flavored, powdered beverage for retail distribution via the microfranchising model.



The Sizanani Mzanzi logo

The microfranchising business model

Microfranchising is defined as a business model that applies elements and concepts of traditional franchising to small businesses or individual entrepreneurs in resource-poor contexts. It refers to the systemization and replication of microenterprises and to the provision of public health goods and services in low-income areas where access is poor, prices are inflated and counterfeiting is rampant.² As such, Sizanani Mzanzi recruits community-based entrepreneurs from low-income areas and equips the microfranchisees with basic training in nutrition and



Examples of MixMe products

sales techniques to allow them to engage in door-to-door sales. Other similar market-based approaches for selling nutritious foods show that the door-to-door delivery model is an effective way of building demand and customer loyalty in densely populated communities.² From launching its initial activity in Ivory Park, a township in Gauteng, South Africa, Sizanani Mzanzi has expanded its coverage to include Orlando West, Soweto, and, most recently Westbury – serving a potential combined population of close to a million residents.

“Sizanani Mzanzi now serves a potential combined population of close to a million residents”

As Sizanani Mzanzi aims to grow the number of microfranchisees it supports, we realized that the brand and nutrition action messages needed further work to stimulate consumers to buy and use our products. We therefore set out to conduct qualitative consumer research with a view to creating a value proposition for our current and potential porridge and beverage consumer market – one that is relevant to their needs and preferences, and their buying and consumption habits. In November 2016, Sizanani Mzanzi engaged the services of a consumer research company to further understand the consumer with regard to the purchase and use of instant porridge and beverages. The

results and recommendations from the research will enable us to build a strong brand and value proposition for our products.

Consumer research

Consumer research is used to capture consumer behaviors and preferences.³ For Sizanani Mzanzi, there were two objectives that needed to be addressed through consumer research. The first was to ascertain what were the purchasing habits and shopping experiences for similar product categories. The second was to ascertain what were the consumption patterns and preferences for instant porridge and beverage products.

If any business model is to succeed, it must get the marketing mix right. The marketing mix consists of four elements (known as the four Ps): **1)** the product (i.e., the features, designs, brand and packaging); **2)** the price (the list price, including discounts, allowances, and payment methods); **3)** the place (the distribution of the product through specific store and non-store outlets); and **4)** promotion (advertising, sales promotion and personal selling efforts designed to build awareness of, and demand for, the goods). Robust consumer research will provide answers to the design of the marketing mix. In-depth consumer research was critical to help Sizanani Mzanzi microfranchisees to succeed in selling new fortified products via door-to-door sales.

“The challenge for Sizanani Mzanzi is to introduce a new product to the market via door-to-door sales”



The latest product packaging for MixMe porridge

Applying consumer research methods to microfranchising

South African consumers buy their preferred brands at grocery stores. The challenge for Sizanani Mzansi is to introduce a new product to the market via door-to-door sales. We chose three methods that would provide further insights into the “shopping and consumption experience:” **an accompanied shopping tour, a five-day food diary, and in-depth interviews.** Using all three methods with the same respondent builds trust and rapport that can lead to deeper insights as well as triangulation of the data.

Stringent inclusion criteria were applied to select 25 respondents living in Soweto for this research. Respondents selected were all women aged between 24 and 60. They were economically active buyers, representing a broad spread of income and working status. The women needed to be active monthly buyers of porridge, instant cereal, and beverages.

A **shopping tour** is useful for capturing consumer behavior in-store. The consumer is accompanied by trained market research staff who observe how the consumer responds to in-store triggers and interactions with products, such as reading labels and comparing products. Further insights are obtained through a shopping trip exit interview. Shopping tours provide immediate informant-driven experiences at the point of purchase. This results in a high degree of credibility of the generated data and allows for insights into actual shopping activities rather than from recollections of shopping experiences.⁴ An accompanied shopping trip included an exit interview.

The **food diary tool** is used to track meal patterns and consumption of porridge and beverage products over the course of five days. Unlike food diaries used for nutrition intake studies, this food diary does not collect detailed dietary intake data. Information gathered from the diary is the basis for subsequent discussion during an in-depth interview. Self-completion food diaries have a number of advantages over other data collection methods.⁴ Diaries can **1)** provide a reliable alternative to the traditional interview method for events that are difficult to recall accurately or that are easily forgotten, such as who was present at meal times, and what factors influenced meal preparation; and **2)** be used to supplement interview data so as to provide a rich source of information on respondents’ behavior and experiences on a daily basis. Participants in the research were required to maintain a five-day food diary of their household food consumption. On the third day, they received Sizanani Mzansi’s products, which were to be included in their meal plans on the fourth and fifth day. Feedback on the suitability of the products would be garnered via the in-depth interview.

In-depth interviews are carried out at the participant’s home, so that a rapport can be created with respondents. They last sixty minutes. Interpreting body language improves the researcher’s understanding of the answers given. The inter-

view is a guided conversation based on a carefully constructed discussion guide which facilitates respondent’s views through open-ended questioning.

Shaping the market for affordable fortified foods

In summary, we have used shopping tours to help us understand the factors that drive the shopping experience and how shoppers segment and define the targeted category. The **food diary**, on the other hand, offers insights into eating patterns concerning the food products under review. The combined data is useful to help guide brand positioning, create brand value, inform marketing messages, develop relevant marketing materials (flyers, events) and tactics (i.e., promotional offers or sales incentives) – all measures that can positively shape the market for affordable, fortified foods in Soweto, South Africa.

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