

The Crazy Store takes on Botswana



By Lauren Hartzenberg

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South African discount retail chain, The Crazy Store, has expanded its footprint into neighbouring Botswana, opening an outlet in the expanding Gaborone suburb of Phakalane.



"Botswana is known as a country that offers international retailers with diverse options for retail expansion due to their strong economic growth and a stable middle class. It makes sense that in a country that has a developing shopping culture, The Crazy Store should be present," commented Kevin Lennett, managing director at The Crazy Store.

The retailer has shown impressive growth since its inception in 1995 – then known as the R10 Store – and now boasts over 300 outlets, including 11 in Namibia. Core product categories range from gifts to toys, outdoor gear, personal care and gardening. And as consumers increasingly seek to stretch their bucks, The Crazy Store is likely to appeal to an even larger customer base.

In the spirit of AfricaMonth, Lennett chatted to us about the brand's steady expansion and the opportunities and challenges it faces as a retailer in sub-Saharan Africa.

Against the backdrop of SA's tough economic climate, what has The Crazy Store's performance been like in the South African and Namibian market?

We are very satisfied with our performance across both South Africa and Namibia. Awareness of our brand and our stores has shown phenomenal growth across the LSM group's 6-10. We are pleased to see that customers are shopping multiple times per month with us, and really seem to be enjoying the new ranges we are constantly introducing. Both our established and new stores are trading well, and we are achieving strong double-digit growth.

How does The Crazy Store differentiate itself from other low-cost retailers in Africa?

As a starting point, The Crazy Store does not have a direct competitor. So our first differential is that we provide a wide range of products from daily use items to novelty to party to toys to books to kitchenware and so on – all under one roof.



Kevin Lennett

number of new lines throughout the year. Thirdly we have placed a high premium on quality and stand by our products.

We have a high service culture backed up by an efficient and friendly customer care call centre. If a product fails, we look after our customer without hesitation. Finally, as a national chain of more than 300 stores we have and will continue to establish credibility within the market, provide a consistent experience across all stores throughout the country and treat our customers in a manner we would want to be treated.

■ Why have you decided to expand into Botswana specifically?

We see Botswana as the obvious next step for our African expansion. As one of our neighbouring countries, it has good retail offerings in shopping centres and neighbourhood centres. It also has a good economy and similar consumer habits to what we know in South Africa.

What lessons have you learnt from previous expansions into new regions?

A key lesson is to listen to your customer and your staff on the ground, get to know the market and react quickly to any trend or needs.

What do you believe to be the key opportunities and challenges for retailers operating in sub-Saharan Africa?

The sub-Saharan customer is very similar to the South African consumer so the advantage is that we understand their needs. That is the single biggest opportunity, coupled with the fact that very often that retail concept does not exist in that sub-Saharan country – so very often there is a gap that needs to be filled.

Challenges would revolve primarily around logistics. Moving product across borders or multiple borders can be time-consuming and costly, so careful planning and cost control need to be in place.



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