

Informal township businesses adapting to new Covid-19 world

By [GG Alcock](#)

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Informal kasi businesses have adapted to a new world, using technology, social media and delivery.



A roadside Spaza Shop, Cathedral Peak, KwaZulu Natal. King of the Grasshoppers, CC BY-SA 4.0 , via Wikimedia Commons

Mike Tyson said: "Everyone has a plan until they get punched in the face." Crisis, disaster, unexpected events and tough times often disrupt our best-laid plans. That punch is a good thing because forging ahead with the same plan is crazy.

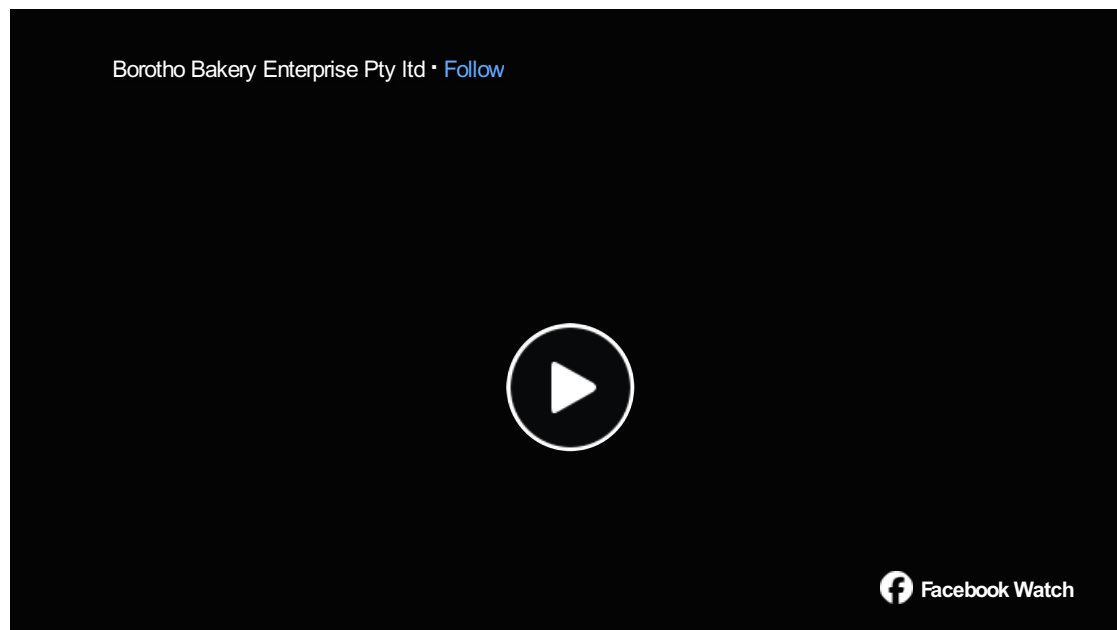
That informal sector revolution has been fast-tracked, not delayed, by the state of the world, and now fast-tracked by the way in which the coronavirus will shape the future in African economic activity.

Refiloe Rantekoa grew up in White City, one of the toughest and poorest suburbs of Soweto, epitomised by concrete-roofed homes that look like air raid bunkers. In 2016, Refiloe started baking loaves of bread from his tiny backroom in White City. To make space for the bakery he moved back home, where he slept on the bedroom floor. Baking only 20 loaves a day, Borotheo Bakery was born.

Refiloe started selling only up and down his street: "At that stage we did not think about making a profit, just to get the business going." Using WhatsApp, Refiloe started getting more and more orders, six loaves here, two there, and more and

more streets started buying his bread.

Then the *kota* outlets started ordering (a *kota* is a hollowed-out quarter loaf of bread, hence the name, filled with different ingredients such as slap chips, polony slices, fried egg, atchar, tomato sauce). Within 18 months Borotho Bakery was baking and selling hundreds of loaves a day.



Doing things differently

And then came the lockdown! Borotho Bakery lost 25% of its business immediately. Some of it from the closing of the township fast food sector, primarily the *kota* outlets, plus losing a large client at the Chris Hani Baragwanath Hospital. In the early days, Refiloe sold bread from supermarket trolleys, and he's gone back to that now. "We designed stronger trolleys," he says, "because the supermarket ones don't work on the kasi streets."

So with new trolleys and branded umbrellas proudly shouting out "Borotho Bakery", four trolley sellers walk the streets every day. He's upbeat and optimistic; he has a plan, a strategy. "We were becoming much too traditional in the way we were doing business," he says, "so I want to do things differently."

He planned to have ten trolleys, but the lockdown closed his supplier, so now his four trolley sellers just walk further. "We now have orders as far as Rockville, even Dube, so the guys walk about 10, even 15 kilometres, a day." Orders still flood in via WhatsApp and the trolleys rattle up and down the tiny kasi streets selling or delivering.

Turning crisis into opportunity

Bafokeng Shisanyama in Soweto is normally a vibey open to the street *shisanyama* by day and club by night. Its busy Facebook page shows parties spilling out into the street, platters loaded with meat, expensive brandy and whisky bottles on tables in the kasi style, fashionably dressed Sowetans bopping into the early hours.

And then along came the first lockdown and business came to a crashing halt. As the lockdown eased, takeaway food was allowed but Bafokeng was not a takeaway outlet and their customers wanted to come party and grill. Bafokeng however like many kasi kos outlets pivoted quickly putting their delicious *nyama* menu on Facebook, with a WhatsApp link inviting people to WhatsApp their order and send a pin location and they would deliver. Orders poured in.

Today Bafokeng has two full-time freelance delivery motorcyclists who do 25-30 deliveries each a day during the week and almost double on weekends. Talk about turning a crisis into an opportunity!



Future of business in Africa

The streets of the township today echo with the sound of old-style bicycle horns, boop booping vegetable sellers walk street by street pushing trolleys loaded with fruit and vegetables selling right at your door. Reduced footfalls and closed ranks pushed these rank vegetable sellers to mobile offerings.

Many more informal kasi businesses have adapted to a new world, using technology, social media and delivery. It is remarkable how innovative and resilient these businesses have been. The era of local and delivery is here, built on social media and smartphone platforms.

The nature of the future of business in Africa will be fragmented markets, with thousands of small businesses using Uber or Airbnb model style models. Already malls are dying worldwide and neighbourhood markets and stores are growing. The neighbourhood trader, like the spazarette, will grow in importance and the mobile, or street-based vegetable seller will flourish over the vegetable supermarket.

Research shows that up to 80% of informal sector businesses trade from home, or in the street, or a purpose-built facility on residential premises, like a hair salon in a backyard, as an example. They have low overheads, they service local communities, suburbs or streets. Their offering is hyper-personalised to their customer. They have their finger on the consumer pulse.

The future is about guerrillas versus gorillas. The survivors and the successful are agile, can pivot, lay low, revive. And even in the face of adversity, like the coronavirus and lockdown, they are resilient and adaptable. Business mirrors biology, and as Darwin supposedly surmised: "It is not the strongest of the species that survives, nor the most intelligent. It is the one most adaptable to change."

The *KasiNomic Revolution* is a murmur in the streets, a grassroots economic rising that has grown organically despite government and business regulation, and which is the future of African economic activity. Are you going to be part of the *KasiNomic Revolution*?

GG Alcock will form part of the speaker line-up at the 14th annual [Township Marketing Summit](#) Webinar fortnightly series, commencing 31 Mar to 26 May.

ABOUT THE AUTHOR

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