

CASE STUDY

SOCIAL AND RELATIONSHIP CAPITAL

GOING WHERE OUR CUSTOMERS NEED US



Sutherland is one of the many instances where PEP changed the lives of the residents of a small town by making it possible for them to live with dignity and pride.

'A town is not a town without a PEP'

This might be a tongue-in-cheek expression, but it holds true. The group's extensive footprint aims to bringing products and services to communities who might not have the means to access what we, as a group, can provide. Opening stores close to where our customers are, is a key strategic focus that adds value to their lives.

Although this event happened a decade ago, the story still holds true as evidence of the group's purpose.

PEP has the biggest rural footprint of any clothing retailer in South Africa, with more than half of its stores being country stores. Very often, these stores are the lifeline of the inhabitants of the town, as the closest other town where similar items can be bought is often hundreds of kilometres away.

Sutherland is a small rural town in the Northern Cape, 350 km from Cape Town, famous for its cold winters (reaching an annual average minimum temperature of -6°C), and the world-renowned Southern African Large Telescope (SALT), the single largest optical telescope in the southern hemisphere, and the largest in Africa.

The town may be the gateway to the universe, but its 3 600 residents had to travel 100 km to Fraserburg or 145 km to Williston to find a decent retailer to buy items such as school clothing. As taxi fares would amount to more than R600 to visit one of these towns, farmers would often take their workers' shopping lists to buy on their behalf. Should something not fit, it could take months before the item would be exchanged.

INPUTS

- ▶ Continuous store investment and expansion
- ▶ Product and service innovation leveraging the physical store footprint

OUTPUTS

- ▶ 234 new stores opened in FY20

> 20 million known customers

5 200 stores

All this changed when the librarian of the town, Ronel Cloete, sent PEP a petition with the signatures of 1 200 residents, begging us to come and change the plight of its citizens with our brand promise and range of products and services. This was a result of some of Ronel's pupils winning a national competition with a prize of R750's PEP vouchers. Due to the high cost of reaching the closest town, the prize meant nothing to them.

PEP listened, and we opened our first store in Sutherland on 15 December 2010. Within the first three days, there were more than 1 379 transactions, with an average sale per customer of R103. The store has maintained its performance over the years, and achieved more than 100% sales during an unprecedented year facing the challenges of the COVID-19 pandemic. Our PEP Dynamos continue to deliver friendly service to the people of Sutherland.

