

Cash-in on a proven crusade

1 'South African consumers are under pressure,' says Philip Bragg, general manager: franchise development of Cash Crusaders. 'People just do not have the disposable income that they used to.'

2 'As a result of this, traditional retailers are severely pressed for business. In the last five years there has been tremendous growth in the value-for-money retailing sector. And this is precisely where Cash Crusaders has carved a niche into the market.'

3 Cash Crusaders started in Cape Town in 1996, transforming the second-hand goods industry by creating open plan retail stores. The overall effect has created a pleasant, friendly environment where shopping is a pleasure. 'Customers buying from our stores get friendly advice and service, quality products at excellent prices and any goods purchased over R500 carry a three-month guarantee,' says Bragg. 'This creates peace of mind for them as they know that they have support from a reputable brand.'

4 'Our franchisees are people who want to be successful in their own business.'

5 The product range of Cash Crusaders is extensive. Everything from gold and jewellery to television sets and hi-fi's is bought and sold. 'The only items which we don't stock are motor parts, clothing, furniture and large home appliances,' says Bragg. 'We try to maximise the available floor space in each shop. Many furniture products are bulky and we want to move away from the traditional jam-packed second-hand store.'

6 The second-hand market appeals to a wide consumer base. 'Most of our customers have come from lower and middle income levels,' says Bragg. 'Although recent trends have shown that more people from the upper income levels are buying from and selling to us, in the past, the second-hand industry was not always viewed favourably. Cash Crusaders has changed these perceptions. As a result, we have created respectability in this industry.'

7 Potential franchisees need no experience in retailing or the second-hand market. Comprehensive training is given which covers all aspects of the business. 'Our franchisees are people who want to be successful in their own business,' says Bragg. 'They join us because Cash Crusaders is a tried-and-tested formula. To date, we have opened over 60 stores with a 100% success rate.'

8 'This is because we focus on the core aspects of the business and ensure we get them right first time.'

9 The cost of opening a Cash Crusaders is just under R500 000, of which the franchisee needs R200 000 in unencumbered capital. This includes site location, store design and set-up, initial stock, working capital, advertising funds for opening day and all training and on-going support. A 5% monthly royalty fee and a 4% advertising fee are levied. A member of the franchisor support team is also made available to guide the franchisee through the first few weeks of trading. Ongoing support is offered to franchisees if and when required.

10 'At present we have only scratched the surface in the second-hand market,' says Bragg. 'The South African market is huge and has massive growth potential. Our aim is to make Cash Crusaders an integral part of each community in which a store opens.'

11 Cash Crusaders is a full member of FASA and is accredited by both ABSA and Standard Bank. For more information on opening a franchise, contact Philip Bragg on 082 900 1248 or 012 663 4717 or fax 012 663 3129