

Embracing change ...and seeing the growth potential

The last 18 months have been marked by upheaval. Terms such as 'unprecedented' and 'abnormal' have been used to describe market conditions across all food categories, and no retailer or producer has emerged untouched. While some have found their way back onto stable ground, the landscape is undeniably changed. So how does this affect Canned, Chilled, and Frozen Foods, and what can we expect from these categories in the future?

The current landscape

Canned goods play an important role in the global food market and are a staple for a large majority of South African consumers. They are a good source of nutrients, especially for people on tight budgets or with limited access to fresh foods. Canned food is safe (non-BPA linings contain no synthetic chemicals and prevent the interaction of the content with the can material itself); convenient (cans have a storage life of between 2–5 years); and value for money (mass production allows manufacturers to keep prices low). Manufacturers have also focused heavily on improving the quality of the contents to address negative consumer perception of healthiness and taste quality of canned food.



Image: Jonathan Petersson, Pexels

“Canned foods rely on traditional trusted favourites to keep the category stable, as well as new product innovations to bring in new consumers and pique the interest of existing shoppers.”

Globally, seafood, fruits and vegetables, chocolates and desserts, soups and sauces, lentils, and pasta are just a few examples of commercially available canned goods. As the number of working women has grown, so has customer reliance on ready-to-eat meals and convenience foods. As a result of time restrictions and the simplicity of preparation, demand for healthy and shelf-stable food products has increased, boosting the growth of the canned goods market.

Chilled and Frozen foods rely on innovations and new players to keep these categories fresh and appealing. Post-pandemic consumers are becoming more aware of what they're eating, and more health conscious. Healthier ingredients and nutrient-dense meals are all growing in demand. Convenience does not necessarily mean sacrificing health. Less sugar and salt, fewer preservatives, high-quality ingredients, organic,



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locally sourced, free-range, and antibiotic-free are just some of the items consumers look for on a label. Vegan and vegetarian options – the new phrase is plant-based – continue to gain popularity globally for health and ethical reasons, whilst gluten-free, banting and sugar-free options remain popular. Allergens are another concern, with gluten, eggs and dairy topping the list. All these consumer needs and wants can be seen in Chilled and Frozen product ranges, but especially in Chilled.

The impact of Covid-19

The Covid-19 pandemic had a two-pronged effect on retailers from a consumer point of view. Due to repeated and contracted lockdowns, as well as anxiety over the supply of food, consumers tended towards panic-buying behaviour, which rapidly changed what was going into buyer's baskets in an unexpected way. This caught retailers and producers unaware, and resulted in temporary shortages, which fuelled even more panic buying. Consumers also became far more conscious of health and safety – their fear of the virus leading many to avoid frequent shopping trips and either consolidate their physical shopping trips or migrate to online shopping. This in turn led to an increase in the purchase of canned, frozen, and long-life goods.

These trends are reflected by a recent announcement from Tiger Brands that the group is changing its product portfolio as it sees a significant shift in consumer buying and eating habits, including a general move towards healthier products and making more products that are 'snackable'.



“Consumers are shopping less often and are expecting more per rand, and they are not compromising on quality,” says Becky Opdyke, chief marketing officer at Tiger Brands. “South Africans have become more conscious of what they are consuming and are increasingly focused on maintaining healthier diets for body and mind. In terms of canned goods, Tiger is introducing new KOO lines, including diced beetroot and pilchards.”

Know your customer

Knowing what your customers want and expect in real-time can be make or break for retailers. Relying too heavily on past performances and traditional buyer behaviour can have a negative effect on sales as everything in the world around us speeds up. Consumers used to instant gratification expect

fast, up-to-date, and relevant service in all things, including their grocery store. Obtaining relevant and up-to-date data on consumer preferences can then be translated into tailored deals that stores can communicate directly to customers. Knowing what your customers want will also help with timeous cross promotions and the right loss leaders to get feet in store.

“Canned foods are popular for 'buy three get the fourth free' specials and the availability of out-of-season or unusual ingredients, particularly fruits and vegetables, makes Canned and Frozen products very attractive for consumers looking for either long-lasting or hard to come by ingredients.”

The novelty factor also rates highly, with new products and new flavours attracting consumers, particularly when these are launched by trusted or favourite brands.

Global measurement and data analytics firm NielsenIQ identifies four main consumer groups within South Africa. Already constrained consumers were watching their expenditure and budgeting

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heavily before the pandemic struck, whilst the newly constrained have experienced job or income loss during the pandemic and have actively begun paring back their shopping baskets and searching out the best prices.

Cautiously insulated consumers have been only moderately affected by the pandemic, but are monitoring their expenditure closely and cutting back on luxuries, whilst the unaffected consumer is carrying on as normal.

The newly constrained and cautiously insulated make up the largest group of consumers, closely followed by the existing constrained. This makes for a tough and highly competitive market as retailers vie for an increasingly price-driven consumer. Promotions, special offers, mark downs and everyday low prices are more important than ever.

Canned do attitude

It's been more two years since Oceana, the makers of Lucky Star pilchards, unbundled consumer goods company Tiger Brands and the move was exactly what the company needed to shake up the iconic brand. The companies parted ways in 2019 when Tiger Brands disposed of its more than 40% shareholdings in Oceana.

Lucky Star is one of South Africa's strongest market leaders in the Canned Foods category. Since the unbundling, Lucky Star's already-successful tinned pilchards line has expanded with the launch of new flavours and adjacent canned products – including chakalaka, mackerel, sardines, and tuna – that they were previously unable to



“ The novelty factor can rate highly, with new products and new flavours attracting consumers, particularly when these are launched by trusted or favourite brands. These successful launches prove that South African consumers are becoming more adventurous, willing to explore and are seeking out variety. ”

Flavour innovations keep the Frozen category fresh and inspirational for consumers.

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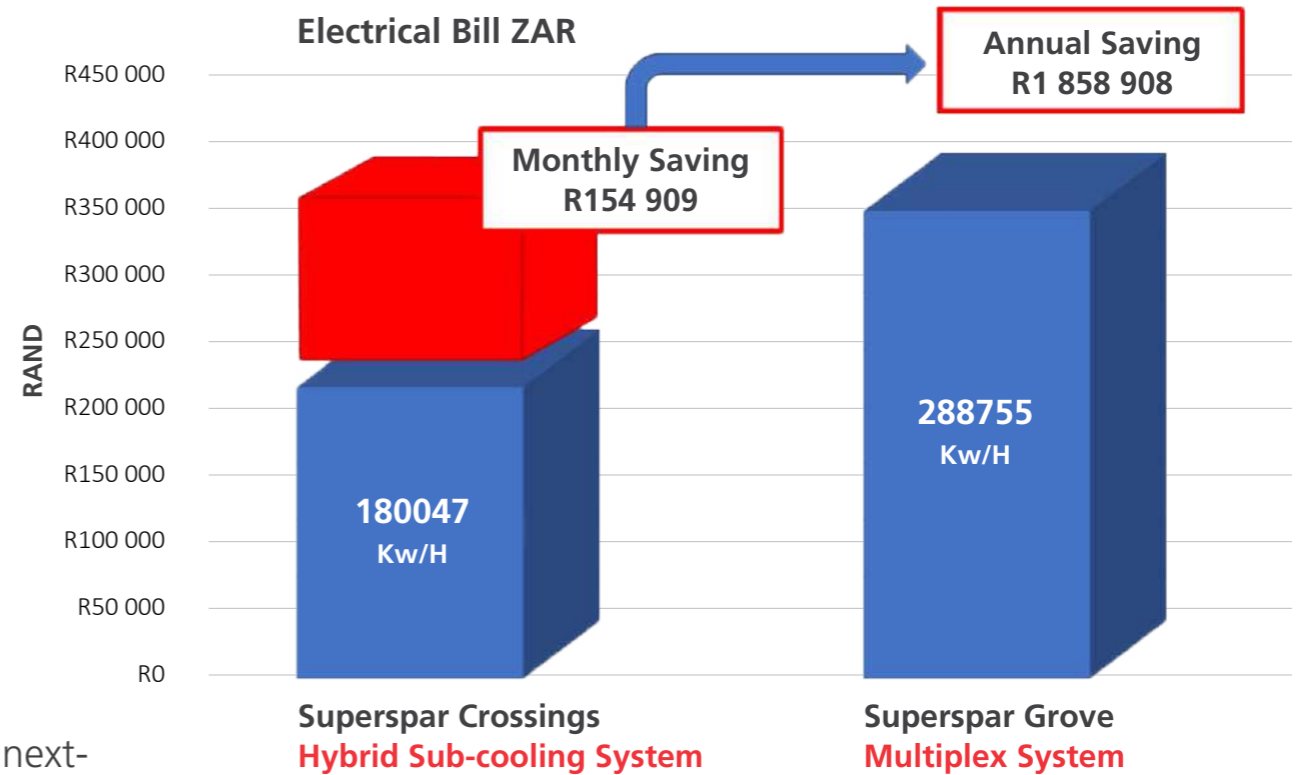
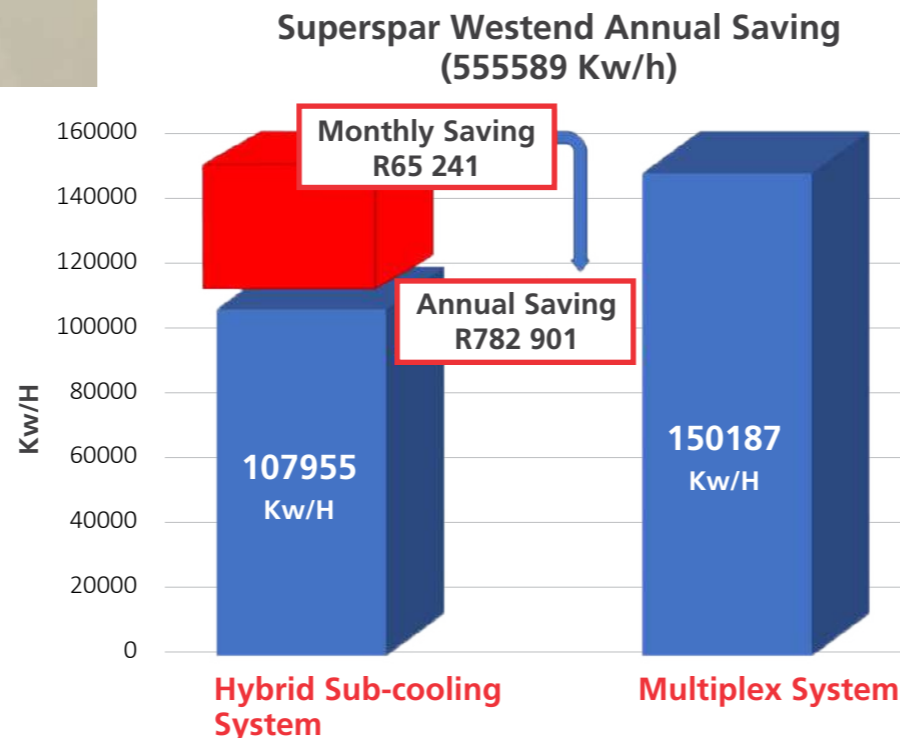


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explore. The new flavours prove that South African consumers are becoming more adventurous and are seeking out variety.

In an article for Cape Business News titled Oceana’s Lucky Star, Oceana CEO Imraan Soomra “reported that canned fish demand had remained positive with market share growth from the high base of the previous period. He stressed this was an important achievement in a trading environment where the disposable income of consumers had come under pressure. Oceana’s important canned fish and fishmeal segment managed to hold revenues steady at R2bn despite a variety of market and operational challenges.”

Private label and packaging

The Chilled Foods category is huge for convenience, entertaining, eating at home, single portions and family-size portions, ready meals, and pre-made sides.

“The variety of retailers’ own label ranges is growing as consumers look to add variety and convenience to their basket, but they must be tasty, exciting, and nutritious.”

Packaging is important as it displays not only the tempting end-product, but also nutritional content and any health benefits that may be on offer. Importantly, packaging also demonstrates the sustainability and environmental impact of the brand and manufacturer, which is becoming increasingly important to consumers.



Plant-based eating is finding a growing fanbase, with many consumers incorporating one or more no-meat days into their weekly routine, based on health, environmental or ethical concerns. Frozen plant-based meals help shoppers find their way into a new lifestyle.

Globally, the fresh and chilled food categories are growing and are expected to overtake ambient foods. An article for the UK’s Convenience Store website titled Growing your chilled category in lockdown states that, “Chilled is also growing in

importance for own label ranges. According to the HIM/MCA UK Convenience Market Report 2020, chilled foods are a popular own label purchase, with almost 10% of own label purchases in both small and larger stores falling into the chilled dairy category and 8% coming from chilled foods. The report also highlights that grocery items, such as chilled dairy and fresh fruit and veg, featured more prominently in baskets as more consumers visit on main shop missions during lockdown.”

Meeting your customer’s frozen requirements

Convenience, and bulk-buying for those who can afford to, are the mainstays of the Frozen Foods category. Prepared vegetables, pre-cut potatoes, convenience foods such as pizzas and burgers, fish, and even speciality dishes like baby food or vegan/vegetarian staples are in demand in the freezer



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aisle. Frozen foods remain a staple purchase for many South African consumers, but their basic needs differ. For some, frozen meat that needs to withstand a taxi drive or long walk home is key, whereas others are looking for expensive but convenient ready meals and frozen fruit for their morning smoothie. With the electricity supply uncertain, Frozen Foods are carefully thought-out purchases for many local consumers.



Image: Engin Akyurt, Pexels

For consumers looking to embrace mindful eating, healthy and nutritious frozen meals instead of fast-food-style instant dinners are in demand. Ingredients are becoming healthier, which is more attractive to savvy consumers, and the range on offer has grown considerably, catering for a variety of different diets and cuisines.

In an interesting development, RFG has acquired Pioneer Food’s frozen foods business which owns the well-known brands Today, Mama’s, Big Jack and Man’s Meal, it was announced in July this year. The product range includes frozen pies, pastry, sausage rolls, pizza, and party packs, with the business commanding a strong presence in the frozen pies and pastry segment and servicing the South African top end retail market.

RFG CEO Bruce Henderson says the acquisition is aligned with RFG’s strategy of expansion

through value accretive acquisitions. “The frozen pie and snack category in the top end retail market complements RFG’s growing pies and pastries business. The acquisition has the potential to generate good synergies for the company while also diversifying our offering into the retail channel.” The transaction is subject to approval by the Competition Commission and the effective date is expected to be 1 January 2022. **SR**



Ann Baker-Keulemans, a highly experienced business and consumer journalist, is published in numerous print and online platforms, writing on topics related to business, lifestyle, and health, with extensive knowledge on the SA retail and wholesale landscape. She holds a Bachelor of Arts degree in English Literature (British and Commonwealth) and Media Studies and is a member of the Golden Key Honour Society. ann@wilkinsross.co.za
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TRENDS TO EMBRACE

Bold flavours. Consumers are becoming more adventurous, while also demanding greater variety.

Taste the world. Denied the opportunity to travel, post-pandemic consumers are embracing international flavours and cuisines. Chilled or Frozen ready meals and Canned goods for at-home experimenting have the potential to meet this demand.

At-home extravaganza. The pandemic saw the resurgence of the home-cooked meal, and while Millennials and Gen-Zers are unlikely to give up their convenience meals entirely, home cooking is on the rise. The demand for nostalgic foods, shelf-stable, long-life and unusual ingredients, is growing.

Health zone. Consumers are becoming more aware of what they eat, and they require a lot more from their food. Added nutrients, healthy alternatives, organic or natural ingredients, and above all a healthy and nutritious product is tantamount.

Sources:

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CASE CLOSED

Energy Saving Solutions

Glacier Door Systems has introduced the Air Shield ('Close the Case') Glass Door retrofit solution for refrigerated supermarket display cases, as well as the Eco Leaf Replacement Glass Door for existing glass door freezer rooms and glass door freezer display cabinets. Both solutions guarantee energy-savings in an ever-increasing energy cost environment. Part of the well-established Universal Industries Group, Glacier has 26 years' experience and are acknowledged industry leaders in refrigeration door technology. Innovative and forward-thinking, the company is built on cutting-edge technology, technical expertise and a customer-centric approach.

Air Shield Glass Doors

Features and Benefits

- Double glazed glass doors with Argon gas fill for superior insulation.
- Glass durability and clarity with torsion bar for positive closing.
- Glass door heating option for high humidity environments.
- Glass doors available with hold open brackets and LED lighting options.
- Flex modelling means glass panels are customised to fit existing cabinets and are tailored to suit each store's specific environment.

A quick and easy energy-saving retrofit solution, Air Shield Glass Doors can be fitted to any existing open refrigeration case, saving up to 40% on energy consumption.



Note: The value proposal is based on R1.31 per kWh and 40% energy saving. These are averages based on our experience and can be validated per store.

The value benefit

- High-quality locally manufactured solutions featuring the latest energy-saving technology.
- Demonstrated good pay back periods can be expected.
- Customised solutions to suit your store.
- ISO 9001 accredited factory.
- Safety toughened glass in accordance with SABS/SANS certification.
- Flexible installation timing to offset any customer disruption.
- Financing options available.

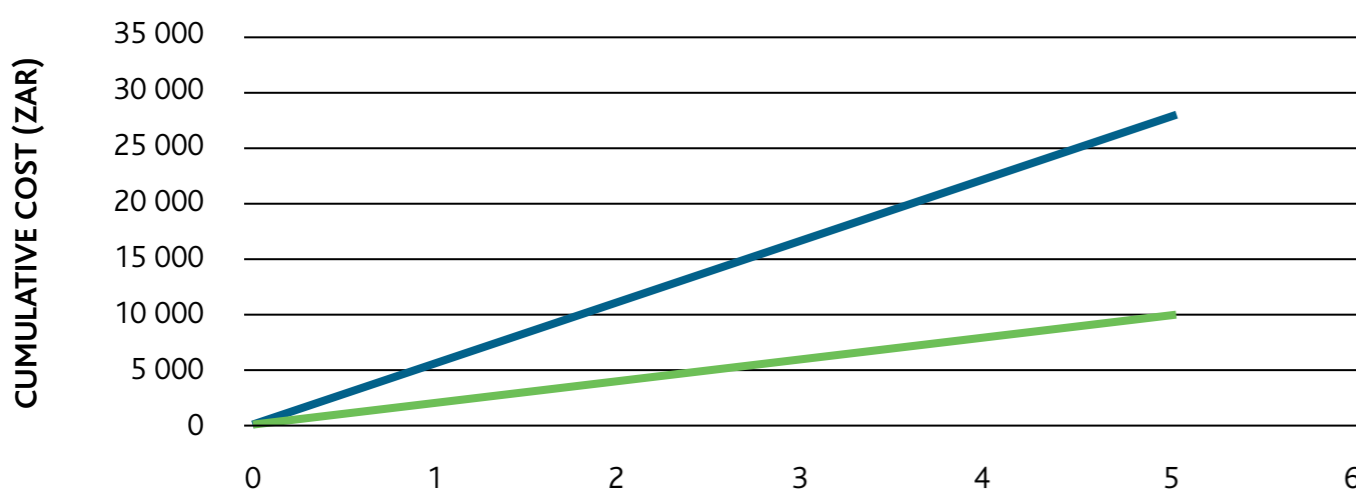
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Eco Leaf Freezer Doors

Designed as a 'swop-out', energy-saving replacement glass door utilising 220V technology that eliminates the need for voltage-reducing capacitors. This results in an amperage reduction from 1.29A on the standard door to 0.46A (64%) with the replacement Eco Leaf Door.

The Eco Leaf door is 64% more efficient than the standard door. The value proposal is based on R1.31 per kWh and 64% energy saving. These are averages based on our experience and can be validated per store.



	AMPS	VOLTS	WATTS
Glacier Eco Leaf Door	0,46	230	105.8
Glacier Standard Door	1,29	230	296.7