

SUPERMARKET & RETAILER



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Business knowledge for smart retailers
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**Ecommerce & township
entrepreneurs**

**Risparmio Casa ...
Home savings,
a specialist solution**

**Montana FLM
'Theatre of Food'**



**Canned, chilled & frozens
... seeing the growth potential**

FEATURES

Canned, chilled & frozen

Image: Jonathan Petersson, Pexels



No retailer or producer has emerged untouched by the recent unprecedented market conditions. While some have found their way back onto stable ground, the landscape is undeniably changed. Anne Baker-Keulemans asks, "How does this affect Canned, Chilled, and Frozen Foods, and what can we expect from these categories in the future?"



Household specialist

The Italian consumer is spoilt for choice when shopping for household requirements. One model has emerged over the years – a chain of stores specialising in a plethora of household goods, but with no food in sight. Antonello Vilardi interviews

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François Xavier Tah, marketing and communications director of Risparmio Casa, which literally means, Home Savings. The article is adapted by Hippo Zourides.



STOREWATCH

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In the bustling capital of Tshwane, we find the newly refreshed Montana Food Lovers Market. Jaime van Aswegen takes a walk around the recently upgraded store – enhanced to give the local shopper a 'Theatre of Food' experience, with the Food Lover's Market signature touch. The 2 500m² retail shopping space brings all the favourite FLM features and more.

COLUMNS

Delight your customers

Aki Kalliatakis says it's time to put some basic plans in place to make sure that your customers' experiences are so compelling and delightful that they will want to return again and again.

NEWS

Black Friday

A new global Oracle retail consumer research study, shows that shoppers are concerned that supply chain and delivery delays will wreak havoc on gift shopping this festive season. Many are panic buying ... not waiting, choosing to do their festive shopping during Black Friday.

Ecommerce & township entrepreneurs

High data costs and unequal infrastructure are seen as sticking points to unlocking our township neighbourhoods' ecommerce.

BMi Research: Energy drinks

This beverage category bucks the low growth trend, leading to record sales growth in 2020.

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Helen Maister

We are racing into year end, December holidays, and the New Year. You can feel the tension in the air. It seems like people are sitting on a knife-edge wanting the year to end.

Retailers can't stop now and won't stop till silly season is over and we are well into 2022.

Equipment suppliers are pushing to get work done before the holiday season. I can't remember a time when I went to so many consecutive store openings. Things are happening in this sector. There is a sense of revival, even though it has been a tough year. Another year of Covid restrictions, looting and then municipal elections.

Delight your Customers. Over eight years ago my father, Stephen Maister, met a customer service guru, Aki Kalliatakis. Aki has been writing his column every month since. Last month we celebrated Aki's 100th article in *Supermarket & Retailer*. It is an honour it is to know you, Aki. Your kindness shines in everything you do.

Canned, chilled and frozen – 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



Image: Rebeca Gonçalves, Pexels

Can we take a chill pill yet?

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.

Storewatch – In the bustling capital of Tshwane, we find the newly refreshed Montana Food Lovers Market. The store has recently been upgraded to enhance the local shopper experience with their signature touch. The 2 500m² retail shopping space brings all the favourite FLM features and more.

Black Friday – More consumers are panic buying ahead of the festive season. Here is why ... With the festive season fast approaching, South Africans and consumers worldwide may find fewer gift options available on store shelves due to product shortages and delays resulting from the pandemic-related closure of ports and factories. Find out why consumers are doing their Christmas shopping during South Africa's 'Black Friday' month of November sales.

Ecommerce –Townships are considered key to unlocking the South African ecommerce retail industry. They represent at least 40% of the national grocery market where, despite the small basket size, the benefits offer a high return and the possibility of incredible growth. Mike Smollan discusses ecommerce and township entrepreneurs.

Helen Maister

Helen Maister



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It's time to get cracking on customer care

Aki Kalliatakis


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In this series of Supermarket & Retailer's articles, we share stories of what some organisations and managers have done to motivate and inspire their teams. We give you practical ideas of what you can do to create the most amazing, customer-driven company in the world.

With Black Friday now behind us, most retailers have probably started planning for the hoped-for Christmas shopping rush, and the 'back-to-school' 2022 straight afterwards. So while the operational and logistical capacities of your business, as well as your marketing and promotional activities, are also in high gear, it's worth putting some basic plans in place to make sure that your customers' experiences are so compelling and delightful that they will want to return again and again.

It has been another year of turmoil for everyone and some businesses have insisted on sharing their misery, pessimism and despair with anyone who will listen. Customers feel betrayed by the occasional mean, cynical and greedy behaviour of many companies.



“ Your kindness, warmth, thoughtfulness and helpfulness, or the little surprises that you arrange, will be remembered long after the hard times are over. ”

But you have a chance to be different – to be an oasis in the desert of customer despair. Right now is a wonderful opportunity for you to do something quite spectacular and to give your customers something that they will never forget. Your kindness, warmth, thoughtfulness and helpfulness, or the little surprises that you arrange, will be remembered long after the hard times are over.

The good news is that all customer care efforts are much easier to achieve than your other

strategies. I've repeated this sentiment many times in these columns. When you look at the things that irritate customers on the one hand, and the things that excite and thrill customers on the other, it's inevitably the small details, the little acts of kindness or sensitivity to their needs, wants and desires that win your customers' loyalty. It's a low-cost approach, but it's high on impact and now is the perfect time ... because Christmas and the new year are all about new beginnings.



Customers are not unreasonable ... they know that this time of the year is a big event, and will in all likelihood forgive things like long queues, some items being temporarily out of stock, and even endless repeats of Boney M Christmas songs. But they will not forgive the apathy and indifference of business people who don't acknowledge their patience, nor the shrugging of shoulders in feigned helplessness when they ask for help.

Some examples of little service treats include ...

- Remember basic courtesy and warmth towards customers ... greeting them, thanking them, and using their names. Ask them simple questions about their family, work, stresses, and show some interest in their lives. Alternatively, you can pay them a compliment or say something nice to them. Little personal touches make a huge difference. Show some empathy and understanding for the pressures they are under. Remember that it's a two-way street – if you are nice to them, they will be nice back to you.
- Lay out the red carpet for their arrival. Those first few seconds are probably the most important time in their shopping experience. When they arrive, it should be a big deal. In what ways can you bring out the red carpet? Maybe you pay someone whose only task is to greet and smile. But you can go further by treating them like celebrities too: There are photographers, ask them for a selfie, or do something that makes them feel they are important. Sadly, when we arrive at a place of business, we're lucky to even get someone to look at us. Treat your customers like stars by showing them you're glad they came.
- Provide little gifts and free stuff. At every celebrity event or expo, people walk away with gift bags filled with products and gifts. It doesn't have to be worth thousands, and you don't even have to pay for these yourself if you get your suppliers to sponsor them. But doing something for ordinary customers also makes a difference.

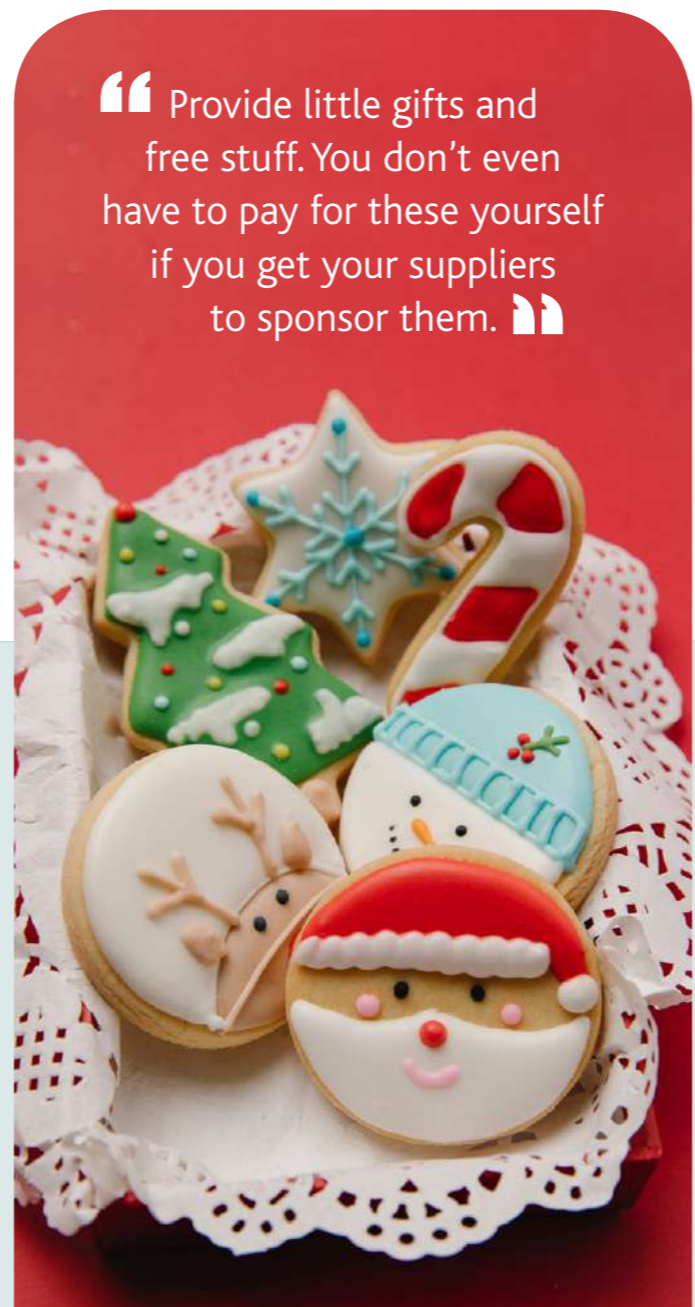


Image of fish: Laura James, Pexels

“ Provide little gifts and free stuff. You don't even have to pay for these yourself if you get your suppliers to sponsor them. ”

Ben & Jerry's, an ice-cream shop chain in the USA, hold a 'Free Cone Day' every once in a while. Virgin Atlantic does something similar with a bag of goodies – even for economy class passengers. One dry cleaner will wash your suit for free if you are unemployed. What gifts can you give your customers?

- Be creative with little gifts that don't cost your company a fortune: one small Christmas decoration that they can add to their tree; a little booklet giving them advice or some hints about something related to what you do; your staff taking some time out to go and help customers in

their busy times, like walking them to the car or taxi rank; different packaging or uniforms when your staff deliver even the most mundane products; recipes for spicy buns or mince pies that they can try at home; free baby-sitting service while your customers run around in shopping malls or trying to fulfil their tasks; decorate your trucks or delivery vehicles; the list is endless.

- Keep in touch afterwards, if possible. Phoning or texting a customer who has placed a big order for an electronic appliance, some furniture, or stocking up on expensive holiday treats afterwards is so exceptional that they are bound to appreciate it – and show their loyalty to your business. (I just heard a great example of this kind of thinking from a blood transfusion service in Sweden. Like most other blood banks, donors are thanked in a text after their donation. But this service takes it one step further: when your blood has actually made it into a fellow-human being's veins, you also get an automated text telling you a little bit about what happened. I don't need to tell you what a difference this has made to repeat donations.)
- Support those in need in your community by inviting your customers to donate a food or clothing item in exchange for a discount on your products or services. People love to be generous, especially at this time of the year.

Customers may not have time to notice these little things immediately, but they will be remembered and remarked on. Do your best to uplift them and tell them what a difference they are making.

But these small staff-driven interventions are always under-estimated by business, especially when we are under pressure. We always look to the big things that managers control – are the credit card facilities at the tills working, are the shelves properly stocked, is the business secure from criminals, have we sorted out the rebates

and discounts on promotional items, and so on? Interventions requiring major investment are quite expensive, especially for the basic goals that the business must achieve. But these big interventions don't always impact on the customers' experience, and are probably imitated by your competitors anyway.

Little day-by-day service treats handed out by smiling, service-focused staff can't be replicated by your rivals because they are spontaneous and heartfelt. Your customers see many examples of shoddy service from other suppliers. When the opposite occurs in your business, you will shine out like a beacon of hope in their lives, and you will be justly rewarded for your customer care.

Would you prefer to be the Grinch that stole Christmas – or be remembered for something else?

So you constantly need to ask: What else can we do to add some value for our customers without breaking the bank? What can we do to make their lives a little more convenient or easier, or that will have a positive impact on their lives? What can we do to make our customers want to tell other people about us? What will make them – maybe 20 years from now – say, "Wow! I still can't believe what they did for me." What can we do to make them feel loved, wanted and appreciated?

Can you remember what it was like at Christmas when you were a child? Can you remember the fun and excitement of this special time when you were

on school holidays, and when there was just so much happening around you? Everything seemed to just have much more colour and light, and there was so much anticipation and enthusiasm as you prepared for that special day. Even the poorest of parents tried to do something nice for their children at this special time. Being together with lots and lots of family and eating far too much was what made it so special. **SR**



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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

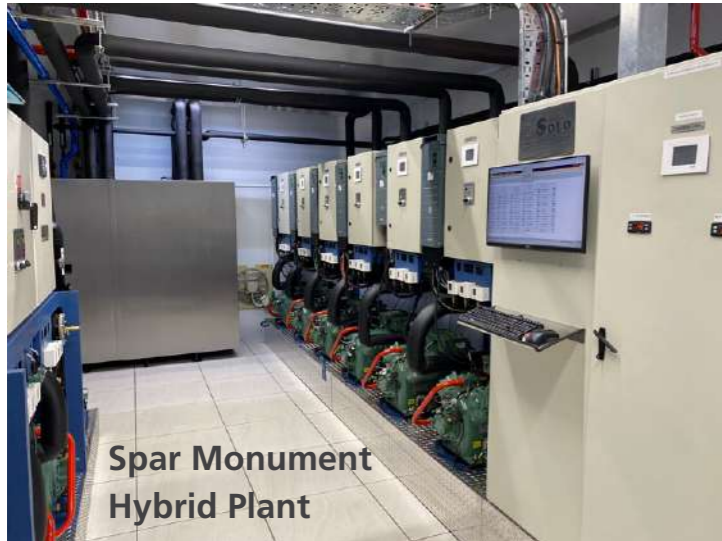


“ The novelty factor can rate highly, with new products and new flavours attracting consumers, particularly when these are launched by trusted or favourite brands. These successful launches prove that South African consumers are becoming more adventurous, willing to explore and are seeking out variety.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

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

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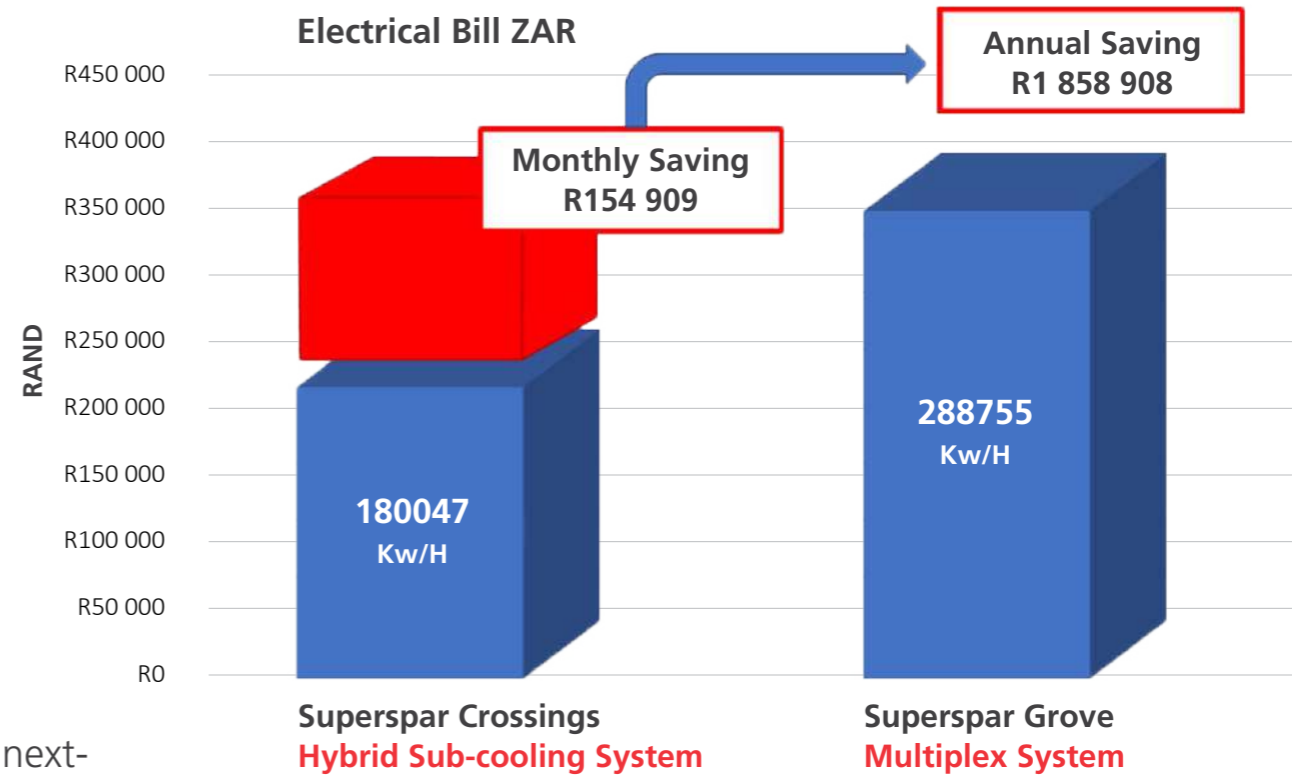
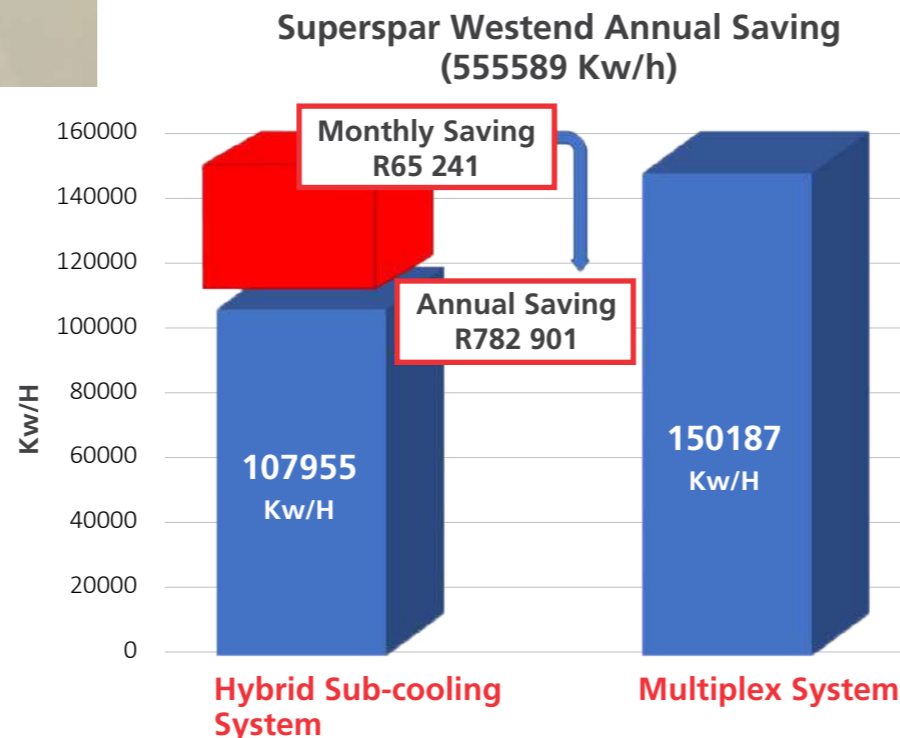


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explore. The new flavours prove that South African consumers are becoming more adventurous and are seeking out variety.

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



Packaging is important as it displays not only the tempting end-product, but also demonstrates the sustainability and environmental impact of the brand and manufacturer, which is becoming increasingly important to consumers.

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.

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



Image: Engin Akyurt, Pexels

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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- <https://www.news24.com/fin24>
- <https://www.rfg.com>



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.

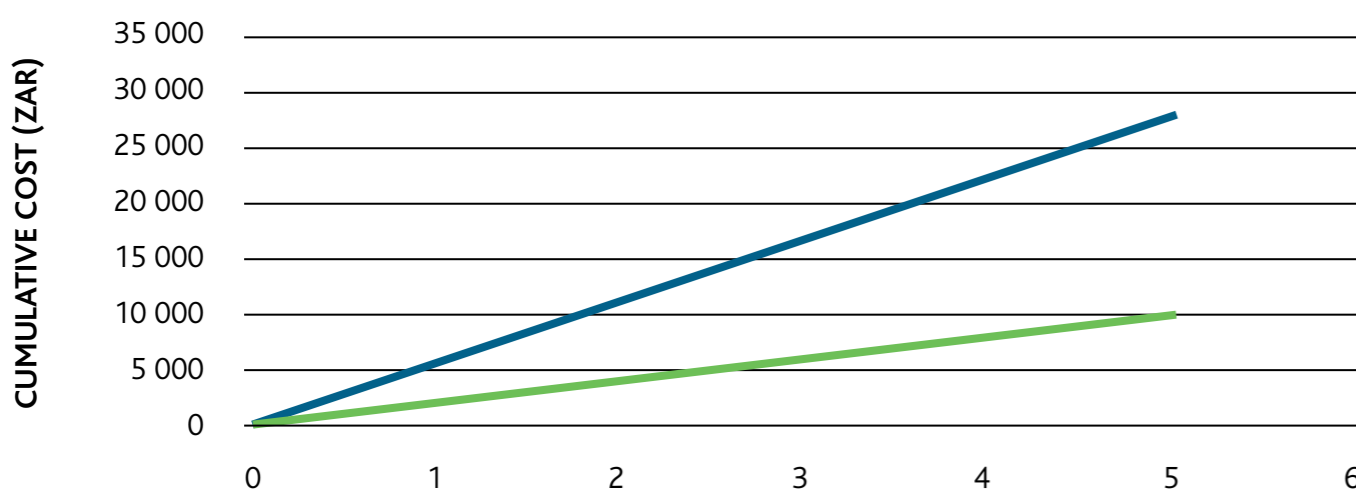
You can trust a Glacier door



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

Montana Food Lovers Market

Theatre of Food

In the bustling capital of Tshwane, we find the newly refreshed Montana Food Lovers Market. The store has recently been upgraded to enhance the local shopper experience with their signature touch. The 2 500m² retail shopping space brings all the favourite FLM features and more.

The waving scarecrow welcomes shoppers to the classic bulk fruit and vegetable section with fresh seasonal cherries being the star of the show. The extensive range of fresh produce glistens under the strategic LED Lighting system in store. The energy efficient lighting and refrigeration system has been installed to ensure a reduction in the carbon footprint of the store. Shelves, aisles and bulk heads have been enlarged to cater for a wider range of in-store items and to assist with social distancing.

The store offers a vast range of vegan and health products, as well as the famous self-service nuts, sweets and treats. The wine department will delight wine lovers with a curated selection of local wine, Method Cap Classique and imported Prosecco.

Fresh Society is geared with range of fresh fruit, smoothies, smoothie bowls, wraps, salads, pitas and more. All these are readily available alongside the convenient Grab & Go selection of meals.

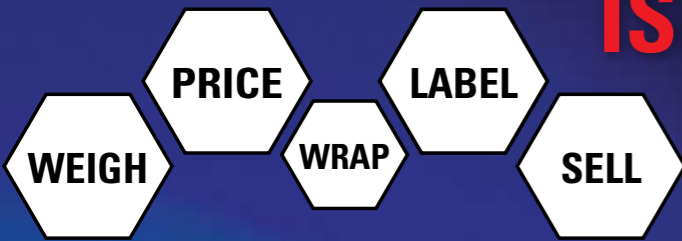


Views of the Montana store, with a supplier giving away goodies to shoppers



Automatic weigh/wrap/label machine that can wrap an 80 tray perfectly every time.

ISHIDA WM-AI



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ISHIDA UNI-9 Range



ISHIDA UNI-5/7 Range



ISHIDA UNI-3 Label Printing Scale range



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The hot food department keeps customers spoiled for choice. It boasts delicious prepared foods such as Crispy Chicken, Bubs Fish & Chips and Pie O'My.

The substantial Butcher Block section is fully equipped to satisfy shoppers' braai time meat favourites with ready packs on-shelf and butchers waiting to cut your choice of meat upon request. The group has sourced an extensive range of seafood and Mediterranean-style items to serve seafood lovers to their hearts' content.

This stand-alone store has recently introduced a simple range of personal care, cleaning and other household products to ensure shoppers can make necessity purchases at the store. The aim is to create an all-encompassing 'Theatre of Food' that ticks all the boxes and gives a shopping experience of incredible value and quality.





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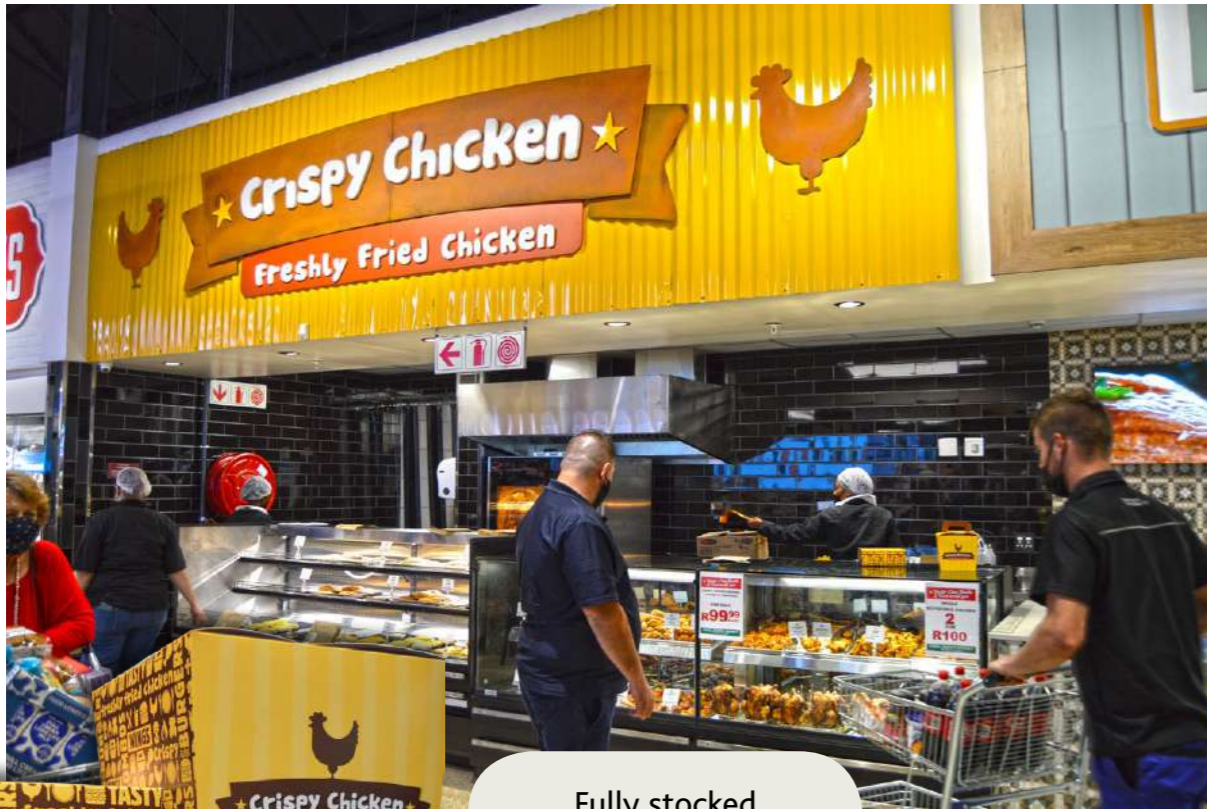
**Wrapping
Machines**





'Ready-to-go' meals for the lunch time rush – whether you like fresh, sweet or savoury – the shopper is spoilt for choice





Fully stocked specialist sections line store's perimeter, with well trained staff ready to answer all customer needs



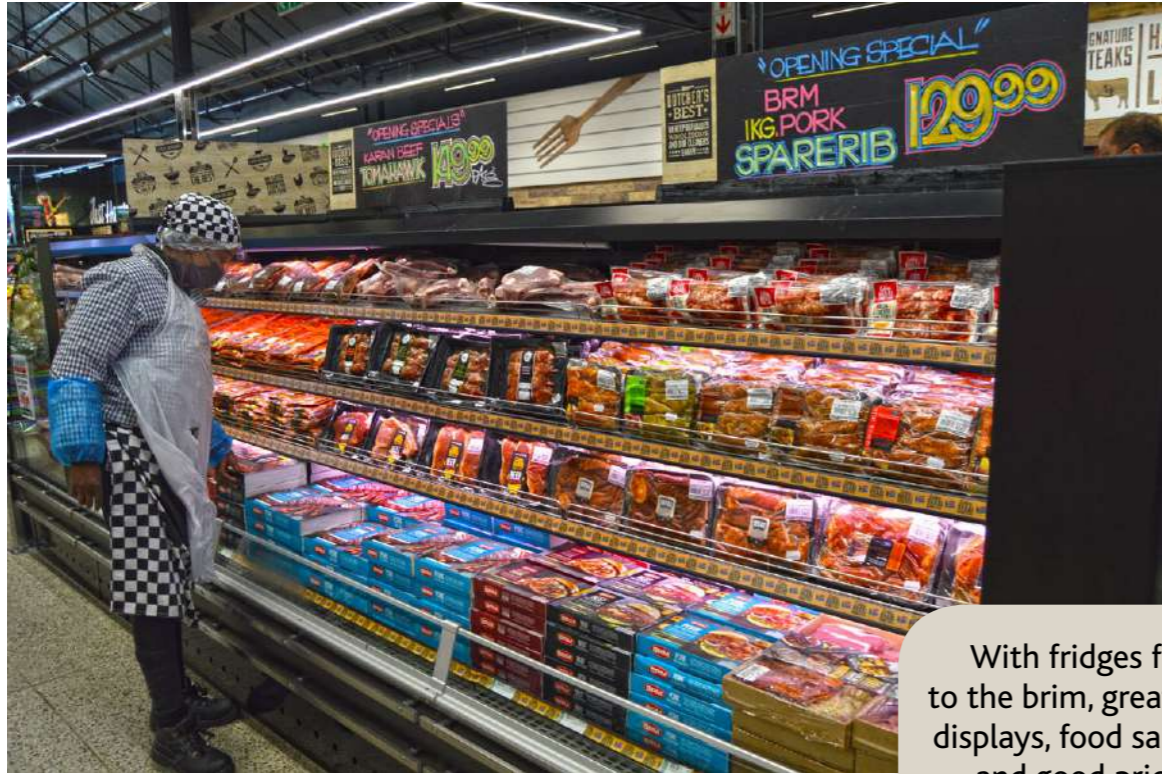


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With fridges filled to the brim, great visual displays, food sampling and good pricing, the shopper is always top of mind





Food zones are clearly demarcated for ease of navigation through the store



Telling a Story, Connecting an Industry, Building a Nation



The South African consumer goods trade is full of stories – of success and failure; of challenges overcome and strategies that didn't work out; of single ideas that grew into multi-billion rand businesses; of what the next ten years holds for the industry.

Trade Intelligence is at the centre of this community, rooted in the stories on which the retail trade is built. We believe that to work effectively with your trading partners you need to understand their stories and what they mean for your team and your business. We actively listen to these stories every day in the trade, we supplement them with meticulous research, and then we package them for you in ways that enable your team to build more meaningful, profitable and people-centred trading relationships.

These relationships form the foundation of our great industry, and thus contribute to the economic health of our country – a nation of storytellers.



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We'll provide you with the insights and information necessary to craft customer-effective business plans and services through unique channel and retailer profiles



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For more information on our Trade Intelligence product and services offering, contact us at info@tradeintelligence.co.za or +27 31 303 2803 or visit www.tradeintelligence.co.za





Health product section



You First is a FLM house brand



The newly added baby goods aisle



Plenty to attract impulse buys as shoppers wait in the checkout lane



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Risparmio Casa

Home savings, a specialist solution

By Antonello Vilardi
adapted by Hippo Zourides

The Italian consumer is spoilt for choice when shopping for household requirements. Whether shoppers live in a large city or a small country town, they have easy access to a variety of outlets that satisfy all their household needs. Store formats range from hypermarkets and superstores to small convenience superettes and, of course, the ever-present discounters.

One model has emerged over the years – a chain of stores specialising in a plethora of household goods, but with no food in sight. Imagine, no edible groceries with a workforce in the dozens to keep the shelves filled – no perishable products, saving not only in staff, but also expensive capex on refrigeration and ever-increasing energy costs; no service departments, staffed by expensive specialists and the risk of wastage, markdowns, and write-offs.

Risparmio Casa, which literally means, Home Savings, is a novel idea that specialises in everything that the household needs, except for food.

Product range and location

The product range consists of ...

- Household cleaners (dishes, clothing, floor, shoes, kitchen, toilets, all purpose, including catering packs)
- Personal care (oral, skin, hair, face, beauty)
 - The Covid pandemic has been a boon for the company as it increased its sales of 'hygiene and illness prevention' products dramatically
 - Its top 20 suppliers have grown their business by 20% per annum and it includes well-known names such as Unilever, Henkel, Reckitt Benckiser, Procter & Gamble, Beiersdorf and S. C. Johnson.

The above categories represent 45% of total sales and the balance of the range consists of ...

- Pet products (pet foods and accessories)
- DIY products (for small household projects, not heavy-duty machinery)
- Car (cleaners and accessories)
- Small household appliances (kettles, toasters, grillers, microwave ovens)

François Xavier Tah,
marketing and
communications
director of
Risparmio Casa
speaks ...



- Outdoor (tables, chairs, cooler bags, back packs, bags)
- Housewares (plasticware, aluminiumware, brushware, cutlery, crockery)
- Textiles (cleaning cloths, bath towels, small carpets, basic clothing, casual footwear)
- Toys (ranging from below Euro 5 to fancy toys, games)
- Stationery

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The chain stocks 36 000 Sku's and this wide assortment cannot be found in other stores, not even hypermarkets. Stores are not large (average size of store is 1 500m²) and the chain is now located in 120 locations throughout Italy, supplied by three distribution centres (two in Rome and one in Sardinia).

Of late, the company has embarked on a sustainability programme to introduce organic products (example, disposable garbage bags) to its home care range (floor cleaners) to its personal care range (body washes, shampoos).

One store has been opened in Lugano, Switzerland, and recently, Risparmio Casa marketing and communication director, Francois Tah, announced that the company will be rolling out new stores in various European countries.

Over and above the normal range of product mentioned above, Risparmio Casa goes out of its way on various occasions throughout the year to also offer themed seasonal promotions. Themes include Carnival, Valentine's Day, Easter, Gardening, Camping /Picnic, Time on the Beach, Halloween and Christmas.

A regular promotional leaflet is made available to the customer base and the promotional strategy follows an omni-channel approach supported by the company website, ecommerce facility, Facebook, Instagram and LinkedIn.

Even though the company has adopted an EDLP (every day low price) strategy, the end result is that 30% of its product range is sold at promotional prices.



The dramatic detergent section in a Risparmio Casa



Despite the brilliant results of products related to the health emergency, the international scenario has remained particularly complex and has forced closures



Exterior of a Risparmio Casa

Savings

Consumers are guaranteed a huge range of reputable brands at competitive prices and are encouraged to follow the regular promotions available online or in-store. The buying power of the company and its focus ensures that it produces a good bottom line (we estimate it to be at least twice that of an average supermarket in percentage terms).

The store is classified in the drugstore category in Italy and it is positioned as the third largest company in this category. However, when it comes to earnings, its EBITDA (earnings before interest, tax and depreciation) results place it in the number one position amongst its peers.

A huge saving for the company is the staffing cost. Imagine a 1 500m² store with merely 12 to 15 employees (an average supermarket of that size in Italy would employ between 40 to 60 people).

The 30 million annual customer transactions are testament of the support for the concept, but its loyalty card programme Risparmio Insieme (Let's save together) is growing (currently, 7% of the clients use the loyalty card regularly)

The sales for the recent past were €520m (2019), €620m (2020) and this year the target is €700m (R12,6 billion).

The company follows the four P's of Marketing religiously – Product (wide range of assortments), Price (affordable everyday prices), Place (wide-spread store locations) and promotion (continuous clear communication).

A great story for a company founded only 30 years ago. **SR**

AMP (Associated Meat Packers) chooses Emerson for refrigeration applications



Client Background

AMP is one of the largest meat wholesalers in Zimbabwe, and aims to deliver quality meat at best prices. Effectively managing a large scale meat distribution operation requires many areas of focus.

The Challenge

AMP were looking for the most efficient and cost effective refrigeration units for their new store. The challenge was finding refrigeration systems that tick all the boxes without compromising on quality and standards, from affordability to energy efficiency and environmental consciousness. Of course, space, design and noise levels were also major concerns.

Results Summary

Intelligent Store™ Solutions has allowed the client to manage costs, operations and maintenance needs which has resulted in saving energy, ensuring reliability while saving energy consumption and creating a comfortable quiet environment.

COST
MANAGEMENT



ENERGY
CONSERVATION



Testimonials

“When we set about the implementation of our project, which was a concept store for our brand, we wanted nothing but the best out there. The Emerson ZXD outdoor condensing units gave us that and more. We got energy saving, ergonomic, space saving technology that was tailored to our store’s design.” AMP Meats

“Emerson’s solutions allowed us to save energy, ensure reliability and create a comfortable quiet environment.”



Study finds
66% of consumers
are worried that
supply chain
disruptions will
ruin their holiday
shopping plans

BLACK
FRIDAY

More consumers are panic buying ahead of the festive season ... Here's why ...

With the festive season fast approaching, South Africans and consumers worldwide may find fewer gift options available on store shelves due to product shortages and delays resulting from the pandemic-related closure of ports and factories.

According to a new global Oracle retail consumer research study, more shoppers are concerned that supply chain and delivery delays will wreak havoc on gift shopping this festive season, while some consumers are choosing to do their festive shopping during Black Friday, and not waiting for the holiday season.

"As we see in the news, supply chain challenges are a global reality," said Mike Webster, senior vice president, and general manager, Oracle Retail. "That's why consumers are panic buying so they can deliver on their loved ones' wish lists this holiday season and avoid empty store shelves."

Supply chain woes

Oracle's study, which polled 5 728 global consumers in September 2021, shows that supply chain disruptions have left people feeling frustrated and that 66% of consumers are worried

that this will ruin their holidays. As a result, 28% of consumers started their holiday shopping early, while 24% say they still plan to start their shopping earlier than usual. Additionally ...

“ 27% of respondents are concerned that the items they plan to buy won't be in stock, 28% are worried these items will be more expensive, and 38% fear these items will arrive later than anticipated. ”

Tis the season of gift cards

With this level of uncertainty in the retail world, it's no surprise that 34% of consumers are considering buying more gift cards this year. Coincidentally, this is also the gift 37% of respondents said they would want to receive the most.

In addition to buying gift cards, 26% of consumers said they plan to buy more fashion apparel, home goods, and electronics. Beauty products were the gift of choice for 26% of respondents, while footwear was hot on their heels for 22% of consumers.



BLACK FRIDAY



Image: Artem Beliaikin, Pexels

ORACLE®

Oracle study finds 66% of consumers are worried that supply chain disruptions will ruin their holiday shopping plans

In-stock or out of luck

This season, retailers' popularity will depend on their ability to deliver what consumers want, regardless of the challenging environment.

For instance, 40% of consumers agree that out of stock items constitute a terrible shopping experience, while 38% say they're attracted to brands and companies based on product availability.

Interestingly, 22% of consumers said they wouldn't wait for a retailer to restock before they choose to go somewhere else.

A significant number of shoppers, 37%, said they wouldn't wait for the holidays to purchase their gifts and would instead make the most of Black Friday sales, while 26% of consumers plan to shop for Cyber Monday deals.

Finding comfort in in-store shopping

Despite concerns about the pandemic, 20% of consumers plan to buy in-store this year, an increase of 15% from last year. For those who are comfortable shopping in-store, 66% said that mask mandates contributed to their comfort levels, while 15% said that proof of vaccinations would help, and 13% said social distancing protocols should be in place.

"Accountability will be the name of the game this festive season. Retailers must have clear visibility into their inventory, a realistic timeline for fulfilment, and a plan to communicate clearly throughout the order and delivery processes. Through transparency and execution, retailers can earn trust with their customers and build the potential for future loyalty," concludes Webster. **SR**



Internal fraud

Who commits it? ... and why



Ryan Mer
managing director
eftsure Africa

International Fraud Awareness Week took place from 14–20 November, highlighting an increasing problem that organisations around the world are facing. According to the Association of Certified Fraud Examiners (ACFE), businesses lose around 5% of their annual revenue globally due to fraudulent behaviour, which experts estimate amounts to a total annual loss around the world of \$3.7 trillion.

Fraud can hit organisations from various angles, and even though cybercrime and external fraud attacks are a huge risk, more often than many companies realise it is perpetrated from within. In fact ...

“The Global Economic Crime and Fraud Survey showed that 41% of economic crimes in South Africa were committed by employees, compared to only 36% by external fraudsters and 21% a collusion between the two.”

Ryan Mer, Managing Director, eftsure Africa, a Know Your Payee (KYP) platform provider says it is crucial to be alert to fraudulent activity within

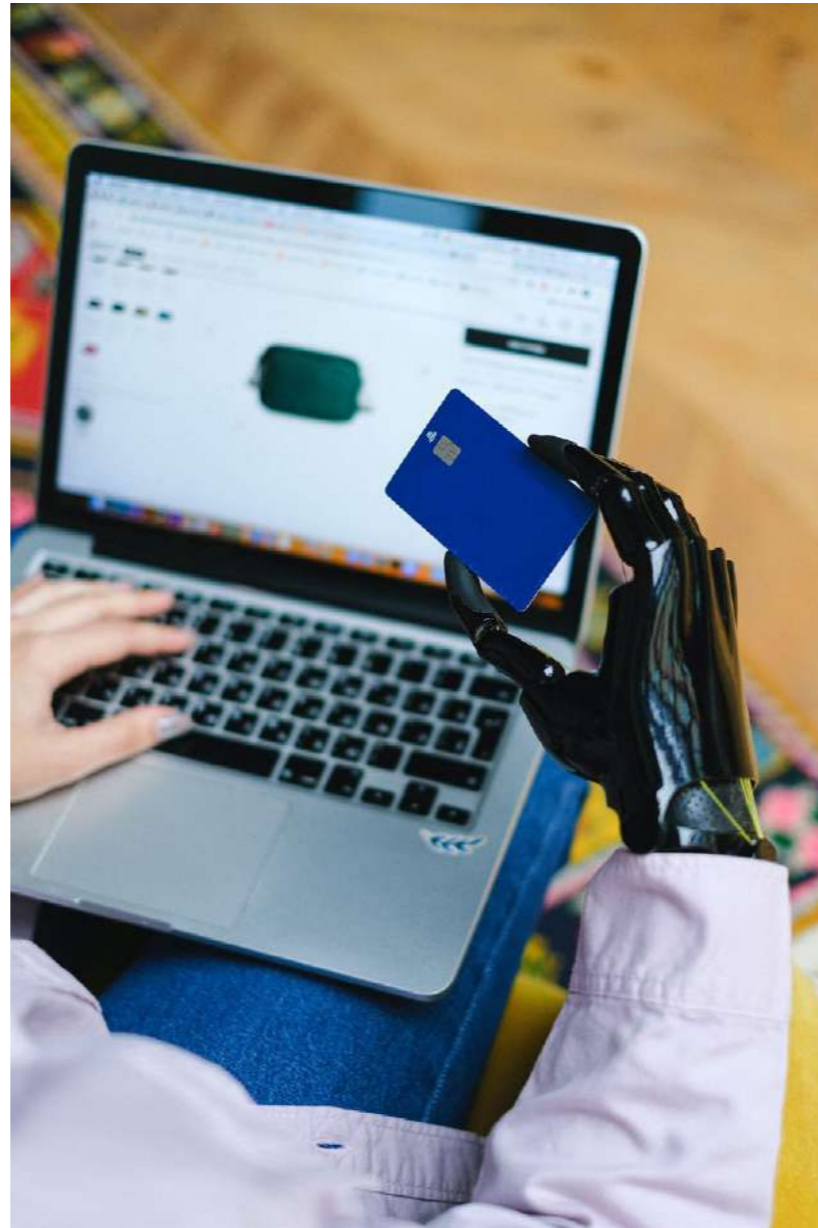


Image: Anna Shvets, Pexels

your organisation and to catch it as early as possible. To do this, you need to understand what drives employees to engage in fraud. “From our experience and conversations with clients

when assisting those who have dealt with fraud internally, employees do not set out to defraud a company and it is usually someone who has been with the company for some time and someone who is seen as unlikely to participate in criminal activity.”

“Criminologist Donald Cressey published a model called the ‘fraud triangle’, which outlines the three factors that can cause employees to commit occupational fraud: motivation, opportunity and rationalisation.”

When an employee has a reason for committing fraud, gets a chance to do so without getting caught, and can come up with a justification for their behaviour, they’re more likely to commit an occupational crime. “The past two years of Covid-19 lockdowns have negatively impacted household finances, providing ample motivation and justification for committing fraud. In the minds of many, desperate times call for desperate measures. Organisations need to be cognisant of this and act accordingly,” advises Mer.

Some of the warning signs exhibited by employees that may indicate fraudulent behaviour include:



- Living beyond their means. Look out for employees who exhibit a drastic change in lifestyle, suddenly arriving at work in an expensive car, flashing designer gear and boasting about new real estate acquisitions with no real reason for the change.
- Guarding their turf. A fraudster won't want to share their duties and may resist taking holidays so nobody can step in for them.
- Have unusually close relationships with a vendor or customer. This allows the fraudster the opportunity create fictitious orders or receive kickbacks. Be on guard if a supplier insists on dealing with one specific employee.
- Working long hours. An employee who comes in early, stays late, works on weekends and does not take sick or annual leave are all red flags. This could indicate that the employee does not want to share their responsibilities with other employees who may detect fraudulent acts.
- Working in a position to commit fraud. Positions that involve administering payments to creditors and suppliers, overseeing and processing invoices and electronic payments, and capturing bank statement transactions present a higher risk for businesses. Fraud can be committed by changing the banking details of suppliers, especially ad hoc suppliers, and adding fictitious suppliers or employees onto the payroll.



Image: Mikhail Nilov, Pexels

How to prevent fraud

By looking at the three factors in the 'fraud triangle' mentioned above, business owners can help to prevent employees from resorting to fraud.

- Relieve the pressure. Remove the motivation to participate in fraudulent behaviour by showing empathy for your employees and offering the support they need in good times and in bad.

- Remove the opportunity. Tighten up your accounting policies and ensure strong internal controls to prevent payments fraud. A common thread in cases of fraud is the human element. A Software as a Service (SaaS) provider can help limit these risks by providing an integrated payments platform that provides organisations with the ability to digitise and automate the verification of payees and eft payment data, on a continuous basis
- Deal with rationalisation. Don't give employees the chance to justify fraudulent behaviour. Develop a transparent and collaborative approach to business that treats employees fairly. This way you're less likely to have disgruntled employees more likely to get involved in fraudulent behaviour.

In the current economic climate, employees may be more tempted to perpetrate fraud, making it vital for organisations to implement best practice anti-fraud strategies. "People combined with technology and sound business processes are at the frontline of fighting fraud and mitigating risk. By building a culture of security within an organisation that ensures cooperation between employees and technology, it is significantly more difficult for employees to commit white-collar crime," says Mer. **SR**

About eftsure: eftsure is a comprehensive, system agnostic solution, designed to give businesses the ability to manage, control and secure the full lifecycle of a payee from onboarding through to the actual point of payment.

Rethinking ... ecommerce & township entrepreneurs



Mike Smollan
Chief Growth and
Innovation Officer
Smollan

Townships are considered key to unlocking the South African ecommerce retail industry representing at least 40% of the national grocery market where despite the small basket size, the benefits offer a high return and the possibility of incredible growth.

With ecommerce spend only accounting for 2% of SA's total retail transactions compared to the global average of 16%, according to Business Insider our local ecommerce market remains untapped. That said, Statista projects that at least 30 million citizens could be converted to online shopping by 2024 making informal and township markets an obvious consumer base with the potential to provide what big retailers offer such as delivery, customer service, variety, and refund policies, as an automated process.

With the world's highest data costs and unequal infrastructure seen as the sticking point to unlocking our township neighbourhoods, a critical understanding of this sector to break the cycle is key as reported on www.xtraspace.co.za. Add the fact that ecommerce deliveries in townships are hampered by unpaved roads, overcrowding, high



“Ecommerce deliveries in townships are hampered by unpaved roads, overcrowding, high delivery costs, especially true for outlying and rural areas and security concerns”

Image courtesy of:
Getty Images

delivery costs, especially true for outlying and rural areas and security concerns, this is no insignificant undertaking.

That said the eshopping potential to pivot in this space affords the opportunity to mould our ecommerce township ecosystem. As suggested on www.izi98fm.co.za, we already have the product skills, the resources on the most part and a critical understanding of township consumer behaviour – opening up a fresh space for innovators and collaborators to step up and drive township business on digital platforms. The fact

is that townships have sustained small business ecosystems to the point that “if we listed every product and service that every registered township business offers on a single database – we would have everything.”

With the government announcing in May this year that R10 billion will be spent on upgrading townships and a recently proposed Township Economic Development Act formally tabled targeted at changing how commercial activity is governed and supported in township areas – the practical realisation of shared economic



acceleration, using townships and informal settlements for the greater benefit of SA are being realised. Business Live reported that the Act will put in place incentives to install broadband infrastructure and heralds a game-changing intervention for small township businesses to “reach a ladder rung of formality.”

A strong ecommerce offering is not just about having the right tech available, it is also about developing a new way of generating growth and revenue and future-proofing a business as far too often the ones providing access want too much in return and aren’t using it to build the market. The starting point in developing any ecommerce strategy has to be based around what is the collective value for the ecom provider, the trader as well as the consumer.

“We need innovative partnerships to provide platforms for informal and township traders. Where perhaps online courses facilitate creative business ideas that inspire ecommerce opportunities for township entrepreneurs and significant investments are made to support reliable infrastructure – the two go hand in glove. eCommerce has to become more inclusive; be seen as a value-add for all parties to allow for sustainability and easily understood so it can benefit everyone – that’s when this sector will take off,” said Michael Smollan, Chief Growth and Innovation Officer, Smollan.

The 2021 South Africa Township Marketing Report found that almost a third of township residents have a side hustle, no surprise as townships have



always been a hub of entrepreneurial activity.

With the average SA consumer still predominantly bound to cash sales, communicating the functionality and safety mechanisms of online shopping is crucial. Kantar’s Jack Hlongwane, in the same report, believes that one of the greatest obstacles to expanding township ecommerce is education and trust which is a huge issue in townships, suggesting that the definition of ecommerce needs to be reworked and energy spent making things understandable and simplifying the terminology around payments.

Tapping into Kasi (township) culture as the formal economy finds its feet from the effect of the pandemic has encouraged many people to successfully adopt a more entrepreneurial mindset in this sector.

Tim Hogins launched Blacqmarket the first online global marketplace securely backed by a block-

chain in SA townships. A former security guard turned business magnate he created an ecommerce platform to allow any businessperson the opportunity to trade online in so doing kick-starting the largely informal sector to bring people online, safely, and securely. A consumer can place an order, pay for it, and pick it up at a PostNet branch with all packages below 5kgs shipped for free.

Fintech start-ups like A2Pay and Vuleka offer solutions that can help spaza shop owners access better prices for inventory, improve stock management and business finances and more easily access financial services allowing them the opportunity to compete with supermarket chains, as detailed in a www.bfaglobal.com article. While Yebo Fresh partners customers by catering exclusively to Cape Town townships allowing households to order goods online via WhatsApp or over the phone with a call-back feature and have them delivered to their doors

There are a lot of keen buyers in townships. **SR**

“Retailers will potentially succeed when the online shopping experience becomes more inclusive; a trusted way of doing business; dependable; easy to get to and safe. 🏠”



Energy drinks buck beverage category trend to record sales growth in 2020

The impact of the Covid-19 pandemic in 2020 had a negative impact on overall beverage sales in South Africa as reduced household income saw consumers more focused on buying essential food items than beverages.

However, one category to buck this trend was ready to drink (RTD) energy drinks which was the only non-alcoholic beverage category to record both volume and value growth in 2020, reveals Khathu Musingadi, Research Analyst at BMi Research. "The RTD energy drinks category grew by 5.7% last year."

What contributed to this growth, she says, was the continued narrowing price difference between RTD energy drinks and soft drinks.

"Where there is little price differential, RTD energy drinks are viewed as offering a value add when compared to other beverages. In certain instances, value-based energy drink alternatives are priced the same as sparkling soft drinks which has prompted consumers to instead opt for energy drinks," she says, adding that the continued good performance of value energy drink alternatives positively impacted the growth of the category.

The introduction of value-added products to this category six or seven years ago is the main driver of growth, explains Shawn Henning, a consultant to BMi Research. "In 2020 consumers were looking to



get their money's worth. Given that energy drinks are perceived to offer added value, when they are priced the same as soft drinks, consumers will naturally select them."

South Africa is not the only country where the introduction of value adds has resulted in category growth. "The dynamism in this particular category is fuelling growth," says Henning.

"As with any product life cycle, initially there are premium priced products at the beginning of the life cycle. The initial good growth then slows down. However, the category gets re-ignited with value added products and volume growth then picks up, but is typically accompanied by deflation in the category with price decreases. This trend too is evident in other African countries."

Visible promotional activity during the year helped to keep RTD energy drink consumers loyal to the product while they were largely at home during Covid-19 enforced lockdowns.

Demand across most pack types and sizes grew. Interestingly, metal cans still dominate packaging sales.

While all other channels recorded positive volume growth, on-premise volume for RTD energy drinks declined in 2020 as a result of Covid-19

enforced closures and restrictions placed on on-premise outlets. Garage forecourts, on the other hand, were the big winners given their convenience and perceived safety due to a lack of queues. This is despite the fact that garage forecourt convenience stores charge a premium.

"We expect that the RTD energy drinks category will grow by 15.1% in 2021 and then by an annual average rate of 12.8% from 2022 to 2025 as the economy starts to recover from the pandemic and consumers become more active and mobile," says Musingadi.

"There is no question that this growth is being assisted by the prominence of value brands which have kept their prices relatively consistent over the past decade." **SR**

