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Retail & Wholesale Brand Space

The final frontier

“ Brand space extends to the digital realm, including online platforms and social media interactions. Mastering this space is the key to building brand recognition, fostering customer loyalty and boosting foot traffic and sales. ”

In South Africa’s dynamic, thriving and multifaceted supermarket, wholesale and retail environment, the store brands that excel at crafting a compelling ‘brand space’ stand out from the crowd.

Brand space is more than just physical store shelves and signage; it extends to the digital realm, including online platforms and social media interactions. Mastering this space is the key to building brand recognition, fostering customer loyalty, and boosting foot traffic and sales.

In this feature we’re taking a deep dive into the myriad of interwoven brand space components in an effort to educate and empower retailers and wholesalers with practical strategies you can apply today or build into your future planning.

Among other things, we’ll explore how to connect with distinct generations of consumers, leverage the power of psychology to build brand loyalty, and implement strategic in-store and online marketing tactics. If you’re ready to take your own brand space journey, buckle up and join us for the ride.

Understand your audience ... Generational traits

South Africa’s consumer base has been stratified along distinct generational boundaries, each with unique characteristics and shopping habits. Tailoring your brand space for maximum impact requires an understanding of these differences and how they apply to your particular brand. It is important to remember that generational cutoffs

are not an exact science (www.pewresearch.org). Individualistic, social and environmental differences also play a significant role in shaping values, behaviour and attitudes. Generational traits and characteristics do exist though, and the differences are fascinating.

Baby Boomers. The term Baby Boomers refers to people born between 1946 and 1964. Because of the age range, Baby Boomers are sometimes divided into two groups, age 53 and 63, and 64 to 72. These groups will have different needs and wants, but many from both groups are still part of the workforce, earning an income, with no plans to fully ‘retire.’

An article from Johns Hopkins University in November 2022 cites research that shows many Baby Boomers grew up in a scarcity environment, with limited resources, forcing them to be highly competitive and hard-working with little work-life balance. As a generation that values efficiency, they’ll want your store to provide excellent service and your staff to be highly knowledgeable about the brands and products you sell. They are not digital natives but as being accomplished and competent is important to Baby Boomers many have become digitally capable and learnt digital skills.

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Kitchen

Serves: 4
Preparation time: 20 minutes
Cooking time: 30 minutes



INGREDIENTS

Chicken:

- ½ cup (125ml) mayonnaise
- 2 cloves garlic, finely minced
- ½ cup (125ml) sundried tomatoes in oil, drained
- 1 cup (250ml) grated mozzarella
- 1 x box County Fair Frozen Crumbed Chicken Burger
- 4 ciabatta buns
- 30g rocket
- 10g basil

CRUMBED CHICKEN CAPRESE BURGER WITH MELTED MOZZARELLA

Two classics are combined in this recipe
– a staple Italian salad and a well-loved burger.

Method:

Preheat the oven to 180°C.
Mix the mayonnaise and garlic together and set aside.
Finely chop the sundried tomatoes and set aside.
Place 4 crumbed chicken burger patties on an oven tray and cook until golden, turning halfway. Remove from the oven.

Turn the grill on the highest setting. Spread the chopped sundried tomatoes over the top of each crumbed chicken burger patty, followed by a slice of mozzarella.

Place under the hot grill and cook until the cheese has melted and is golden. Remove from the oven. Slice the ciabatta buns in half. Spread the aioli over the cut sides. Top each base with a small handful of rocket leaves. Place a patty on each, followed by some fresh basil leaves. **Serve warm.**



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www.britopian.com/data/gen-alpha-characteristics/

In-store and online marketing

Today's successful brands integrate in-store and online marketing strategies to create a cohesive customer experience. As retailers or wholesalers, there are several ways you can leverage this powerful approach.

- Embrace omnichannel communication to connect with shoppers throughout their journey. Create physical and digital touchpoints that keep your customers connected to your store or your retail brand. You can also use social media by encouraging customers to share their in-store experiences using branded hashtags.
- According to a study by the Retail Doctor, loyalty programmes are a valuable tool for sending targeted email campaigns with personalised offers and product information based on individual preferences.

Further, various retail management software solutions offer features that track customer purchase history and demographics. Leverage this data to tailor marketing messages that resonate with specific customer segments to improve conversion rates and customer satisfaction.

Retailers can facilitate a smooth shopping experience with convenient options like click-and-collect or in-store kiosk purchases. Offering a variety of payment options, including contactless payments and mobile wallets, caters to diverse customer preferences and keeps checkout lines moving.



Building brand relationships through displays

Effective visual displays are a powerful tool to forge stronger bonds with consumers. Here's how to create captivating brand spaces that go beyond simple product placement:

Storytelling is key:

Showcase products in a way that tells a story, highlighting their benefits and uses. This emotional connection can influence purchasing decisions.

For example, a camping equipment brand could create a display that evokes the feeling of a wilderness adventure.

Sensory engagement can further enhance the experience: use lighting, music, and interactive elements to create a memorable atmosphere.

Strategic placement is important: position high-margin products at eye level and group complementary items for effective cross-merchandising



Analyse sales data to understand which products are frequently purchased together and leverage this knowledge to optimise product placement.

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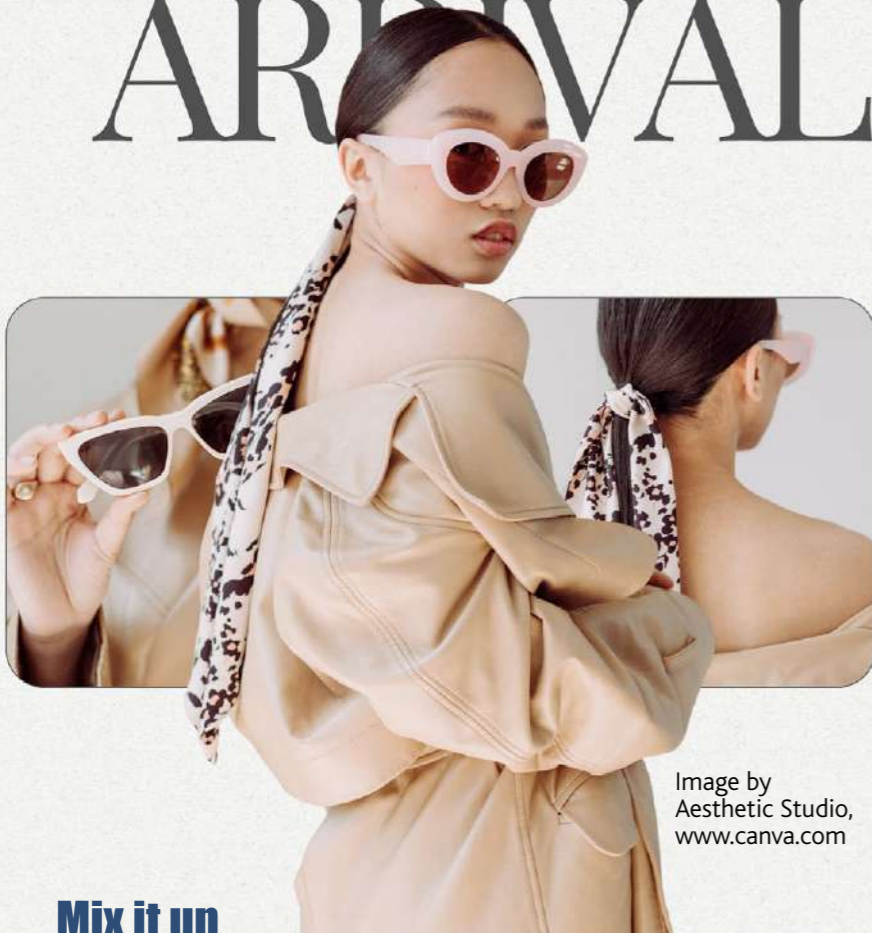


Image by Aesthetic Studio, www.canva.com

Mix it up

The traditional marketing mix – product, price, place, and promotion – provides a framework for retailers and wholesalers to build brand space strategies tailored to the South African market. Packaging and positioning must also be considered, and of course, the most important - people – what does Your Shopper want and how can you adapt your store to meet their requirements? Here are some ideas:

- Constantly innovate and adapt your store to cater to evolving consumer needs and trends. South African consumers are increasingly

health-conscious, so brands offering healthy alternatives or organic options will have a competitive edge. A 2023 report by Nielsen highlights the growing demand for healthy and sustainable products in South Africa.

- Price sensitivity is a significant factor for many South African consumers, so offering competitive pricing and value for money is crucial. Analyse competitor pricing and conduct market research to determine the optimal price points for your target audience.



Image by Hayra Studio, www.canva.com

The online journey helps or hinders your overall brand reputation – if a consumer keeps experiencing out of stocks or poor search or

navigation functionality, your brand will suffer the consequences.

A combination of traditional advertising, social media marketing, and loyalty programmes can be used to reach target audiences, depending on the store’s shopper demographics and their generational traits.



<https://medium.com/>



Image: www.vanityfair.com/



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Merchandising and the power of placement

Merchandising is the art and science of presenting products in a way that encourages customers to purchase. Effective in-store displays go beyond aesthetics; they tell a story, highlight product benefits, and forge a connection with the customer.

- Good merchandising cannot be separated from the store layout, floor plan, shelf placement, lighting and proper signage. It also has to consider the placement of products on each shelf, volume of products, and range.
- Storytelling through product placement can significantly influence purchasing decisions. For example, a Snack Corner could appeal to younger consumers who are less concerned about 'mealtimes' and more interested in 'grazing' during the day. Merchandise a variety of snacking products from different categories together and build a cool display to attract attention.
- Cross-merchandising, the art of grouping complementary products together, is another powerful tool in the merchandising toolbox. It's tried and tested, and it works.



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Shelf space for all

FMCG products from large corporations often dominate retail shelves. Securing prime shelf space in retail stores is the first prize for maximum product visibility and influencing purchasing decisions. For larger brands with established marketing campaigns and strong consumer loyalty, securing shelf space is often easier. SMEs and new brands usually face several hurdles when trying to secure shelf space in retail stores. Listing fees charged by retailers can be a financial barrier for smaller brands. Negotiating effectively and offering data or incentives to justify the listing fee is therefore crucial. Moreover, ensuring a consistent supply chain is critical for maintaining a presence on store shelves.

Smaller players can also compete effectively by demonstrating their brand value and potential profitability to retailers. Small and medium-sized enterprises (SMEs) in particular can compete by demonstrating their innovation and how to they cater to niche markets.

Data-driven insights are crucial in this negotiation. Suppliers can use sales data and consumer research to demonstrate the potential profitability of their brand for retailers. Highlighting a strong track record of sales growth or a unique selling proposition that caters to an unmet consumer need can also make a compelling case. Whatever is done, suppliers need to be prepared to present data and negotiate favourable placement and pricing terms with retailers.

There is more focus from large retailers on smaller local suppliers, with groups such as Shoprite, Spar, Pick n Pay and Woolworths doubling down on their commitment to supporting smaller companies, for example ...

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www.shopriteholdings.co.za/suppliers/we-give-smes-access-to-market.html

<https://sparsupplierdevelopment.co.za/>

www.pnp.co.za/peoplenplanet

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The South African challenge

Price sensitivity. Understanding the South African consumer is paramount. A 2023 study by Deloitte Africa reveals that South African consumers are highly price-sensitive, with value for money being a key purchase driver. This is particularly true for Millennials, burdened by student debt and facing rising living costs. Retailers who can demonstrate their commitment to offering competitive pricing and transparent promotions will resonate with this demographic.

Image: by pixelshot, www.canva.com



Quality. However, price sensitivity doesn't equate to a race to the bottom. South African consumers are also increasingly discerning, seeking quality products that align with their values.

Sustainability. A 2022 report by PwC found that 61% of South African consumers are willing to pay a premium for sustainable products. This trend is particularly evident among Gen Z, who are vocal advocates for environmental and social responsibility. Brands that prioritise ethical sourcing, sustainable practices, and social impact initiatives will find favour with this growing and influential generation.



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Brand loyalty. Building brand loyalty is the cornerstone of long-term success in the South African retail landscape. Loyalty goes beyond offering reward points; it's about cultivating trust and emotional connections with consumers. However, according to a 2023 study by the South African Customer Satisfaction Index (SACSI), loyalty programmes are a double-edged sword. While they can incentivise repeat purchases, overly complex programmes or those with limited value can backfire, leading to customer frustration. The key lies in creating a programme that offers tangible rewards and a sense of community, fostering a genuine connection with the brand.

focusing on value communication, highlighting the features and benefits that justify the price.

Brand space

Mastering brand space in the South African retail and wholesale landscape requires a nuanced approach to consumer wants, buying power, and evolving trends.

By understanding the unique characteristics of each generation, from the value-conscious Gen X to the socially responsible Gen Z, retailers can tailor their brand space to resonate with specific needs and values. Further, understanding the subtleties within these generational tiers in South African consumers is paramount. Building brand loyalty goes beyond physical shelf space. Transparency in pricing, commitment to sustainability, and a focus on value for money are all essential ingredients for building trust and fostering long-term customer relationships.

'Shrinkflation'. Another significant challenge facing South African retailers is the phenomenon of 'shrinkflation' – the practice of reducing product quantities while maintaining the same price point. While this strategy can help maintain profit margins in the face of rising production costs, it can erode consumer trust. A 2023 study by the Consumer Goods Council of South Africa (CGCSA) revealed growing consumer discontent with shrinkflation. Retailers can navigate this challenge by being transparent about product size changes and

Technology is a powerful ally in the quest for brand space mastery. Robust inventory management systems and data-driven insights optimise stock levels, minimise expired products, and ensure efficient operations. Leveraging social media and e-commerce platforms further expands brand reach and connects with digitally savvy consumers.

Ultimately, success in the retail space hinges on creating a compelling brand space, both physically and online. By understanding consumer wants, deploying strategic marketing tactics, and prioritising customer relationships, you can successfully navigate this competitive landscape and thrive in the South African FMCG retail and wholesale environment. **SR**

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