SUPERMARKET & RETAILER

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ISSUE 4, 2024

Brand space
The final frontier of Retail & Wholesale

Logistics & Retail
Sustainability … Navigating the green revolution

Finance & Insurance
Navigating a challenging economic landscape

Healthcare: **Winter health & skincare**

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Image by Immagini di Simmisimons, www.canva.com

FEATURES

Supply chain: Green logistics & retail

Sustainability is driving the green revolution in logistics and retail. Embracing eco-friendly logistics can slash expenses, boost brand reputation, and open new resource avenues.

Supply chain optimisation

Warehouse management is a vital link in an efficient, resilient, sustainable supply chain. The crucial role it plays in organisational success is often overlooked. Qualified and skilled personnel ensure optimisation, add value and deliver a competitive advantage.

https://sloanreview.mit.edu/

Brand space: Final frontier

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.

Winter health & skincare

Changing seasons bring changing routines, from what we eat and how we protect our families, to how we treat our skin and what steps we take to ensure our good health. Savvy category managers know this and plan accordingly.

NANO Design, www.canva.com

Finance & insurance

In this area, the SA landscape is undergoing significant shifts, driven by factors such as economic fluctuations, digital transformation, changing consumer preferences and technological advancements.

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Delight your customers

Aki Kalliatakis dives into the fact that business executives who make big decisions are trained to be rational and scientific in their approach, but they have to find a way to deal with customers' often weird behaviour.

STOREWATCH

Food Town Hyper Khayelitsha

The store provides thousands of shoppers with a well-rounded shopping experience each month, with around 12 000 SKUs across a wide range of categories and a commitment to service excellence. It is committed to the Save-A-Lot community-centric philosophy, bringing more than the best prices and range in the area, with a strong focus on meeting the needs of the people it serves.

NEWS

Supply chain disruptions on the high seas

Resurgence of maritime piracy off Somalia's coast.

Supply chain optimisation

Companies often overlook the crucial role the warehouse plays in organisational success.

South African e-commerce crossroads

The explosive growth observed during the pandemic years has slowed down somewhat and consumer spending power has faltered amid low economic growth and a global cost of living crisis. At the same time, competition is heating up.

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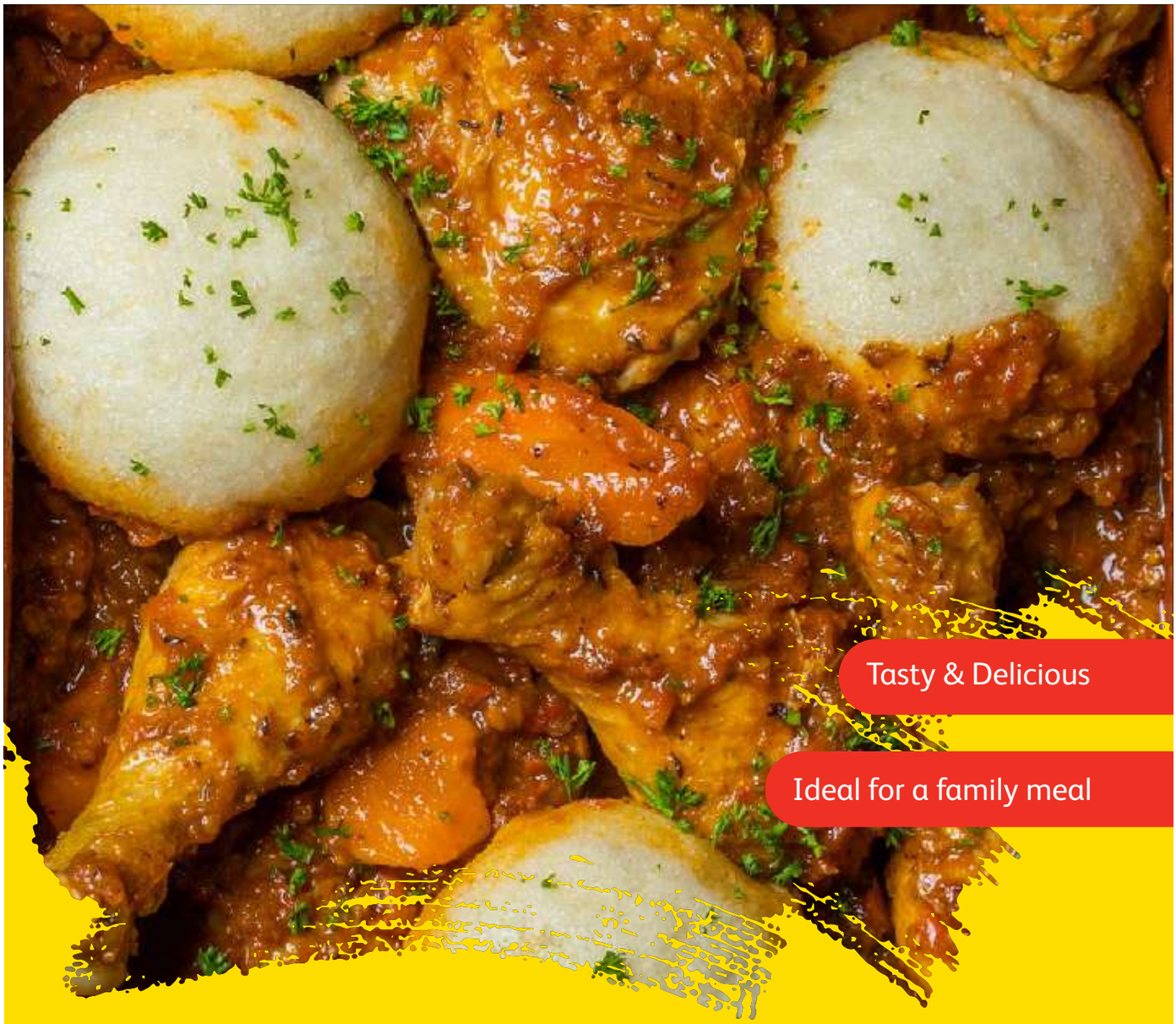

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EDITORIAL

Countdown crisis: The interplay of Elections, Logistics and Retail in South Africa

With just a month left until the South African election, there's a magical reprieve sweeping the nation:

Helen Maister

no load shedding. This unexpected turn of events comes as a relief to retailers who have been grappling with the relentless burden of diesel bills, which have been relentlessly slashing their bottom line.

However, amidst this temporary respite, another storm looms large. The persistent non-delivery of goods from the docks has cast a shadow over not just retailers but also adjacent industries such as supply chain and logistics, warehousing and materials handling. These interconnected sectors find themselves navigating choppy waters, grappling with a myriad of challenges that threaten to disrupt the delicate balance of commerce and stability. As we inch closer to the election, the landscape is fraught with uncertainty, begging the question: What lies ahead for South Africa's economic ecosystem?

Driving sustainability

Navigating the greening of logistics and retail

Incorporating green practices into a classic retail supply chain might seem like a tall order, but the rewards go beyond saving the planet. Embracing eco-friendly logistics can slash expenses, boost brand reputation, and open new resource avenues. Despite the initial daunting nature of the task,

South African companies are stepping up and making strides in the right direction towards integrating green logistics into their operations.

Inside & out: Winter health & skincare

As winter approaches, beauty and health routines must adapt. Savvy category managers know this and plan accordingly. Changing seasons bring changing routines, from what we eat and how we protect our families, to how we treat our skin and what steps we take to ensure our good health.

These changes have a big enough impact on the lives of consumers that retailers and wholesalers need to adapt to accordingly, or risk losing out to those who planned. Keep in mind that a healthy balance of on-shelf products is essential, but your online offerings can and should be broader and more varied, offering shoppers a wide range of options to suit their needs.

Understanding just how South Africans shape their shopping habits to the season is as important as communicating that understanding to your customers. This makes data gathering and analytics as important as effective marketing and communications in the race to attract and retain shoppers.

Retail & wholesale Brand Space

The final frontier

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 to educate and empower retailers and wholesalers with practical strategies you can apply today or build into your future planning.

Helen Maister

Helen Maister

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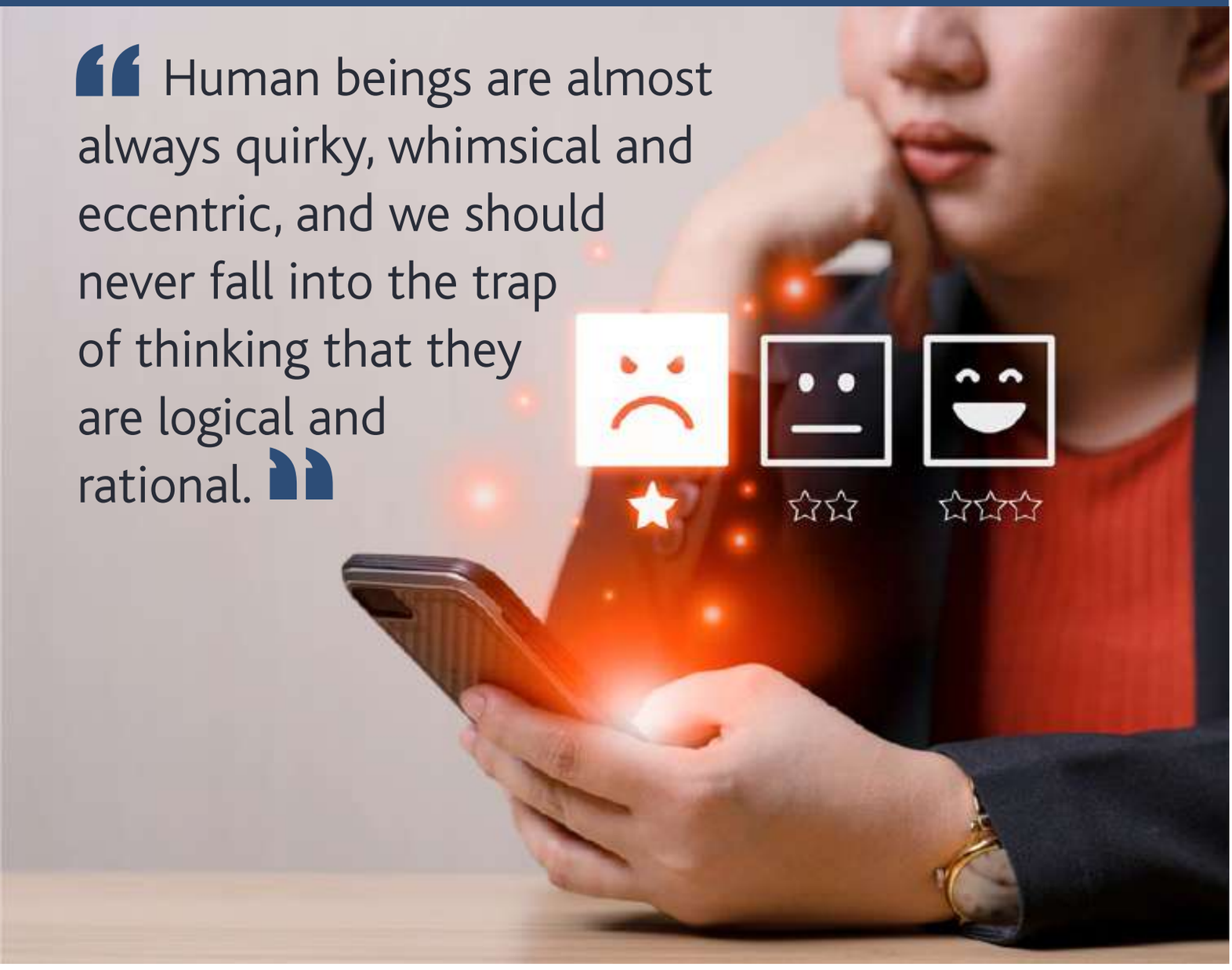
DELIGHT YOUR CUSTOMERS



> Human beings are almost always quirky, whimsical and eccentric, and we should never fall into the trap of thinking that they are logical and rational.

Image by Shutthiphong Chandaeng, www.canva.com

This is the next article in a series on how behavioural economics and 'being human' affects your business.

Aki Kalliatakis
aki@leadershiplaunchpad.co.za

I recently got a bad review for a presentation I made at a conference. Of course, bad reviews are just a part of doing what I do. They go with the concept of publicly sharing your ideas and opinions with a group of people in any type of meeting. I can't avoid them.

The review was 1 star and the comment made was as follows: "I came to this presentation because I thought it was going to be Aki Anastasiou. This was not what I expected." Aki Anastasiou is the tech expert you often see on TV. My presentation was titled, "Delight, thrill and excite your customers – and keep their loyalty forever!"

Let me be quite blunt here … human beings are almost always quirky, whimsical and eccentric, and we should never fall into the trap of thinking that they are logical and rational.

But this is where businesses like yours and mine have a big dilemma. The founders and executives who make the big decisions are trained to be rational and scientific in their approach.

We are trained to win arguments using logic as our evidence. We approach just about everything we do mathematically and 'wisely' so that we don't make mistakes which will embarrass us later in a boardroom somewhere. And these decisions often just don't make sense to people affected by them, our customers and our people. And they don't always solve problems.

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Image by Cole Burston, The Canadian Press. www.thefreepress.ca/

Here's a quick example to illustrate. A few years ago at Houston Airport the management team had a big headache. There were a massive number of complaints about how long it took baggage to arrive at the carousel after the flight had landed. A few logical and expensive solutions were tried, including hiring more baggage handlers, but still the complaints continued unabated.

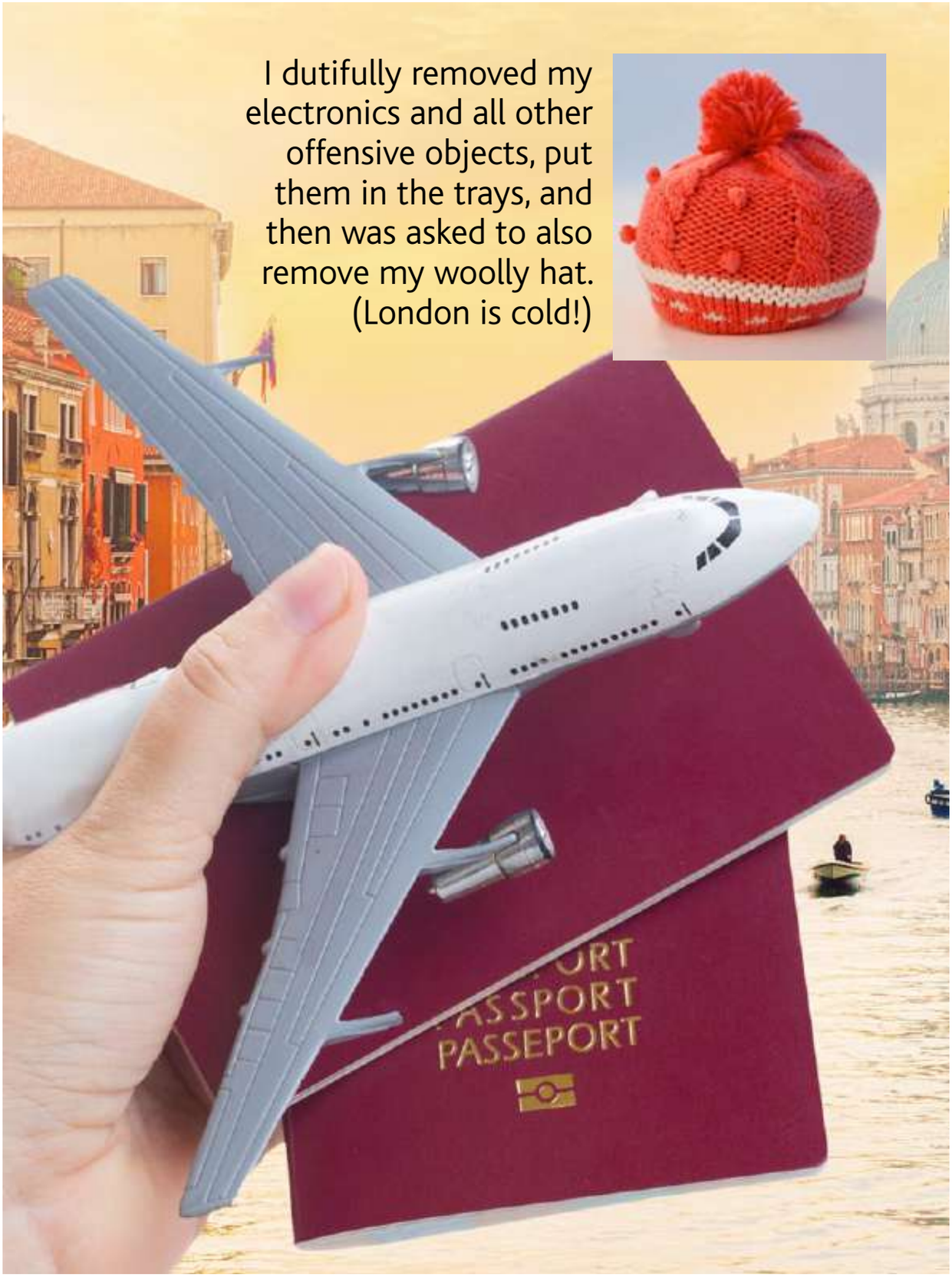
A further analysis revealed that it took passengers about 60 to 90 seconds to walk to the baggage claim from the gates to the carousel ... and then they had to wait for another 8 minutes or so until their suitcases arrived.

One bright young woman offered what seemed to be a silly *counterintuitive solution:* Switch the 'planes to an arrival gate further from the centre, so that the passengers have to walk a little further.

The result: passengers took a little longer to get to their luggage, spent less time standing around, and there was a lot less grumbling.

Still, you can at least reduce the amount of negative feedback you get by leveraging a specific psychological principle.

The airport used customer psychology and insight to reduce the complaints substantially, even though it took exactly the same 8 minutes to actually deliver the bags to the carousel.



Visual by Uyung. Inset: Wavebreakmedia. www.canva.com

Here's another airport illustration that I recently experienced. I recently booked a return flight on Ryanair from London Stansted to Athens and back. Many years ago I had my only previous experience on Ryanair which was pretty awful, but money is tight right now, and I decided to take a cheap flight, expecting the worst.

I woke up in the middle of the night to be at the airport before 6:00 a.m. and eventually made it incident-free to the security checkpoint. But it's here that things went haywire.

I dutifully removed my electronics and all other offensive objects, put them in the trays, and then was asked to also remove my woolly hat. (London is cold!)

I chucked it on top, sent my stuff through the scanners, and made my way through the pat-down search. So far, so good, until I was randomly selected for an additional search of my baggage, at which point I started to get a bit anxious. The line of people was long, but I had built in extra time for this and thought it would be okay.

An eternity later, they got to me and everything was searched, swabbed, tested and finally approved for me to leave. As I finally got dressed again and walked away, I realised my woolly hat was not where it was supposed to be and I rushed back to retrieve it. It took them 10 minutes to find it and by now I knew that I'd have to run. The gate was closing soon!

There was no shortcut to get to my flight, but there was a winding and completely unavoidable path through numerous shops. When I got to the last part of my run/

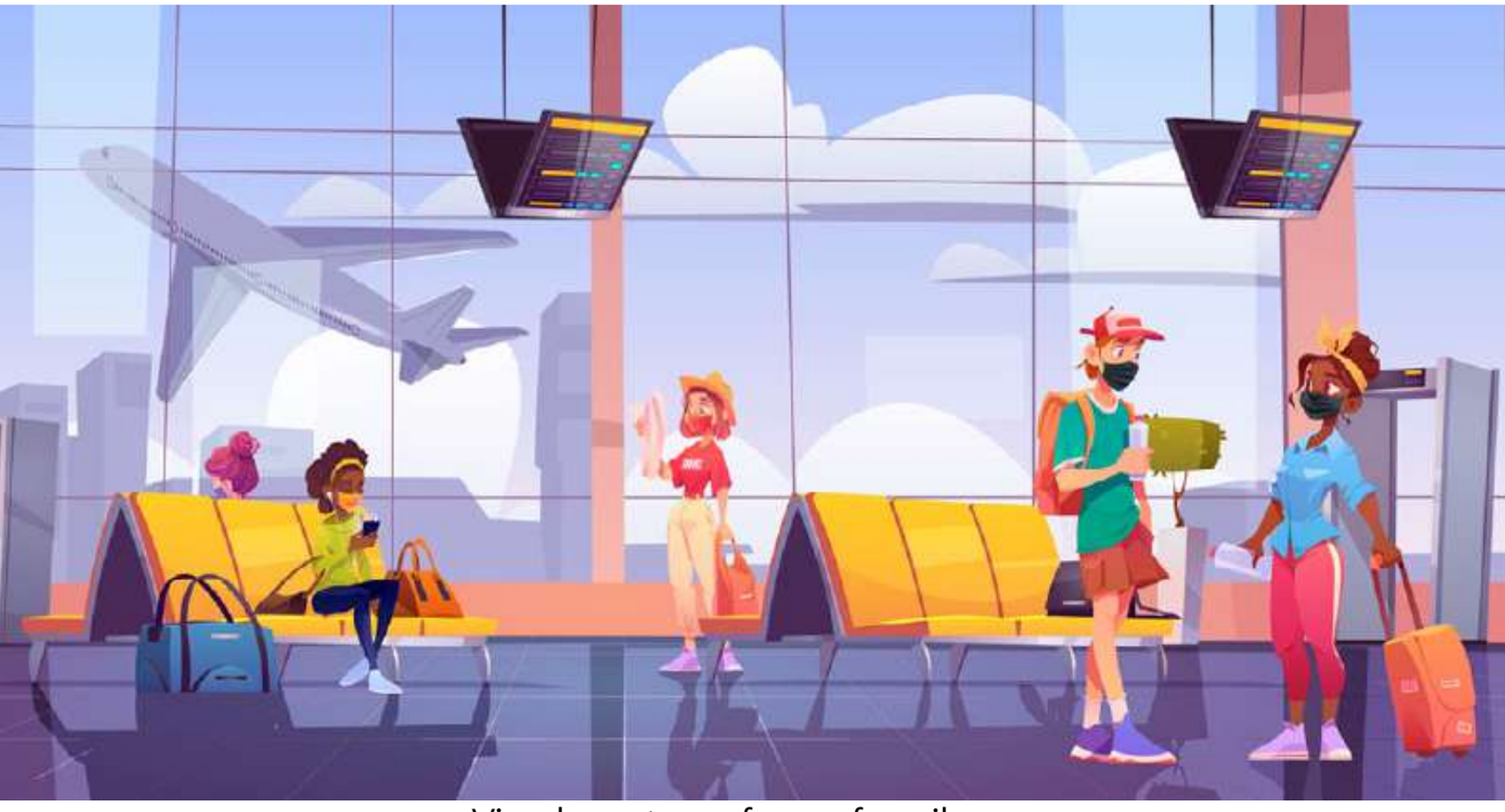
walk, I realised that the walking travellator was broken.

By now I was breathless, every muscle in my body was in pain, and I was lost. In my mind I could see that movie scene of arriving at the gate, seeing it barred and the 'plane being reversed.

To my great fortune, there was a family about 50 metres behind me suffering from the same misfortune and we were rushed through at the last second. I collapsed into my narrow Ryanair seat relieved to have made it.

My flight on Ryanair seemed heavenly, even though I had booked it with some trepidation. But what had happened immediately before made everything that came after brilliant.

Us human beings are really funny like that.



Visual courtesy of www.freepik.com

The lesson of these stories is that you don't necessarily have to change anything about the way you operate your business, but if you see it from the customer's point of view you may just need to change the way in which you frame your operation. I'm not suggesting that you try this exact same tactic in your business.

If you know that your customers are unhappy with what happened before their encounter with you, are you able to take advantage of that?

Ultimately, people get frustrated because their expectations weren't met. If you manage their expectations, you'll reduce their frustration. If you let them know about problems or barriers ahead of time, you'll get fewer complaints, because one of the things we hate the most as people is uncertainty.

> "I still can't figure out any 'psychological tricks' that will fix human stupidity."

And even so, some people will just ignore your messages and warnings anyway. I still can't figure out any 'psychological tricks' that will fix human stupidity.

Nevertheless, do whatever you can to handle – or even master – people's expectations, and your customers will love you for it. **SR**

Aki Kalliatakis is the managing partner of The Leadership LaunchPad, a company dedicated to helping clients become more customer driven. He can be contacted at +27 (0) 83 379 3466, or via the website at www.leadershiplaunchpad.co.za

Be part of growing the South African economy through skills development

The Wholesale & Retail Sector Education and Training Authority (W&RSETA) is one of the 21 SETAs that facilitate skills development in various sectors of the economy. SETAs are responsible for developing qualifications, facilitating learning programmes, disbursing grants for education and training programmes and quality assurance of learning. The W&RSETA is required to allocate grants to levy-paying companies with over R500 000 annual wage bill that submit compliant skills plans for the year and training reports from previous year (where applicable) by **30 April** annually.

Why participate in the W&RSETA skills development programmes?

- **Claim 20%** of Skills Development levies paid to SARS.
- **Apply for** programmes such as graduate placements, learnerships, management development and bursaries.
- **Develop skilled employees** to contribute to a company's profitability and economic growth of the country.
- **Tax rebates** for learnerships.

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- Skills development grants of up to R9500 to implement training to address skills gaps.
- Capacitation of informal traders in rural and township areas to compete with foreign counterparts and become sustainable.
- Entrepreneurship Development Programme for young business owners through mentorship, coaching and support grants.
- Rural and cooperatives development.

Qualifying companies

- Companies employing 0 – 49 employees
- Companies with a total annual salary bill of over R500 000 and paying a Skills Development Levy for grants.

How to participate?

Companies must make an application to the W&RSETA by **30 April annually** to participate in the SETA's programmes for the year.

The submission includes the following:

- Skills requirements the company plans to address.
- List of academic programmes that lead to full or part qualifications.

Reports on these plans must be submitted the following year.

The W&RSETA assists small and medium companies to submit these document at **NO COST!**

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MSCcargo recently transported a 277-tonne telescopic railway crane from Bremerhaven to Baltimore. The crane is a multi-purpose device and will be used for rail laying, rescue services and more. https://www.msc.com/

Driving sustainability

Navigating the green revolution in logistics and retail

By Catherine Larkin

Incorporating green practices into a classic retail supply chain might seem like a tall order, but the rewards go beyond saving the planet. Embracing eco-friendly logistics can slash expenses, boost brand reputation, and open new resource avenues.

Despite the initial daunting nature of the task, South African companies are stepping up and making strides in the right direction towards integrating green logistics into their operations.

Oliver Naidoo

Oliver Naidoo, Managing Director of JC Auditors (JCA), says the company has conducted more than 10 000 audits over the last 15 years in South Africa, including ISO 14001 environment management audits.

"In our experience, we are seeing a noticeable shift in recent years towards greener solutions in the logistics and transport industry, driven by the need to reduce carbon emissions and environmental impact.

The increasing demand by investors for environmental, social, and governance (ESG) practices initiatives seems to be cascading downstream to all players in the supply chain, including transport operations – which contributes significantly to the overall logistics carbon footprint."

According to Naidoo, companies in the logistics and transport industry are adopting various strategies to reduce their carbon footprint. This includes investing in fuel-efficient vehicles, optimising routes to reduce mileage, and implementing eco-friendly driving practices. Some companies are also exploring alternative fuels, such as biofuels or electric cars, to reduce emissions.

Peter Kerr
Managing Director
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Liesl de Wet

Liesl de Wet, Chairperson of the Road Freight Association's Green Transport Interest Group, explains that significant change can be made with incremental change. "In the transport sector, the biggest impact is fuel emissions and the resultant waste within supply chains. Most transport companies already closely manage fuel usage on their balance sheets from a cost perspective. A massive impact can be made on emissions simply by reducing the inefficiencies around fuel."

She explains how one transporter managed to use 6% less fuel simply by reducing the idle time of vehicles.

> "The use of technology and data to drive efficiency is increasing across the transport and logistics sector. Fuel and vehicle monitoring is becoming common, while onboard vehicle telematics is critical. We are also seeing data being used for route and payload optimisation. ”

Abdool Kamdar

Abdool Kamdar, Africa Technical Consultant: Smart Freight Centre (Netherlands) and manager of KDG Logistics’ decarbonisation drive, says fast change is taking place across the logistics and transport space to become greener. “Companies are responding to market demands to report emissions and have realised it is not as complex as is often made out. For example, to calculate the amount of emissions of a diesel truck, one multiplies the amount of diesel in litres used by 3.24, and the answer is the kilograms of CO_2 emissions.”

He explains that as industries strive to meet customer demands, they’re recognising that by tracking and reporting CO_2 emissions, they’re cutting them down, enhancing operational efficiency, and boosting profitability in the long run. “A company aiming to reduce emissions by, say, 10% can significantly enhance its profitability by merely optimising fuel consumption to reach its emission targets.”

Image courtesy of www.transportevolution.com

People make a difference

According to Kamdar, there is currently a clear emphasis on skills development and knowledge acquisition in the road transport sector. "Simply transporting goods from point A to B is no longer sufficient – understanding the intricate details of the data behind all operations is increasingly vital. This encompasses factors such as distance travelled, time taken, deviations from targets, fuel consumption, and more. Many companies are discovering that significant benefits can be achieved by enhancing these fundamental aspects of their business."

De Wet highlights the recognised importance of driver training, noting that companies increasingly ensure that those behind the wheel drive optimally and efficiently.

Martin Bailey

Martin Bailey, CEO of Industrial Logistic Systems, says the move to green solutions varies significantly from company to company.

But, he notes, opting for greener supply chains is not just a moral imperative anymore but also a strategic necessity for retailers, particularly in the face of growing e-commerce. It enables them to meet consumer expectations, comply with regulations, achieve cost savings, mitigate risks, and enhance their brand reputation.

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A PwC report highlights the move towards green, stating that decarbonisation and managing climate risk are critical differentiators as consumers, investors, and regulators demand climate action.

Julie Rosa

"Successful companies are those taking steps to minimise their negative impact on the climate and adapt to avoid adverse climate impacts on their business," says Julie Rosa, a PwC strategy, sustainability and energy expert.

> "The goal is to identify and analyse the risks associated with climate change to inform decision-making, adaptation strategies and risk management plans."

She says increasingly the focus in sustainability is about shifting from a reactive to a proactive approach.

Image by Immagini di Simmisimons, www.canva.com

Making a difference

Naidoo says that innovative technologies are playing a crucial role in making transportation and logistics more sustainable. "This includes using telematics to optimise routes and reduce idle time, as well as adopting software solutions for optimising last-mile delivery. We know there is a need to shift to cleaner energy models or hybrid vehicles, with electric vehicles now coming into the picture.

That being said, we still are heavily reliant on internal combustion engine (ICE) vehicles and will be for many more years, certainly in the heavy bulk commodities sector. Hence, whilst we embrace new technologies and promote the shift to alternate/electric energy, we must also embrace innovative practices to minimise emissions in the current mix of vehicles, the majority of which are diesel-powered. Simple and often overlooked practices such as eco-driving can significantly reduce fuel saving and emissions."

Ndia Magadagela

Ndia Magadagela, co-founder of Everlectric, says there is a definite increase in the uptake of electric vehicles. "We are seeing more two-wheelers, three-wheelers and even four-wheelers in operations across the logistics sector servicing the retail industry. More importantly is that the efficiency and profitability of these vehicles are being realised, driving the move to EV."

She elaborates that the total cost of ownership for using EVs as delivery vehicles is favourable ...

> "They are unquestionably more economical to operate, demonstrated to be more efficient and technically reliable. While EV's are relatively new to South Africa and there is still a long road ahead, the momentum is heading in the right direction."

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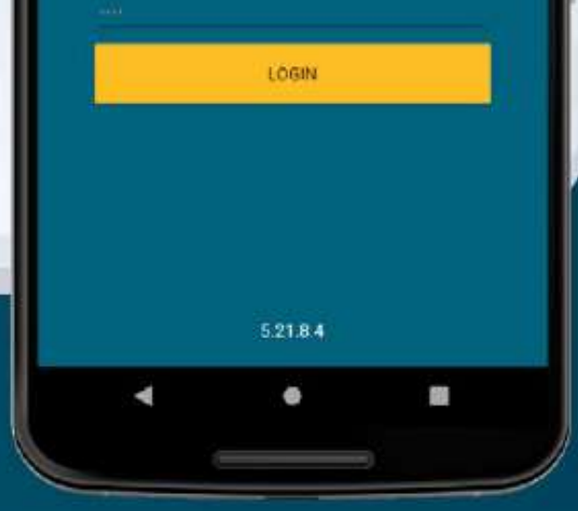

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Going electric

Magadagela says that there are examples of operators converting vehicles to electric power across the country.

> “We’re even witnessing the emergence of alternatives like gas, and there’s increasing discussion about hydrogen, although it’s not yet widespread in South Africa. Innovations are underway.”

She mentions that although heavy vehicles are still on the verge of transition in the urban sector, many operators are using electric one-ton panel vans. These vans are charged daily and employed for deliveries efficiently throughout cities.

One example of this that has been highly successful is Woolworths, which has partnered with Everlectric and DSV to use electric panel vans to deliver online purchases. “The project has been running for the past three years, and there are now more than 40 electric vehicles in Woolworth’s fleet,” says Magadagela. While mostly operational in Cape Town and Gauteng, plans are already in place to extend the roll-out to KwaZulu-Natal.

“The programme was piloted using two electric vehicles only. Over three years of testing proved that electric vehicles are commercially, technically and financially viable in commercial fleets,” she says.

Woolworths' fleet of 41 electric delivery vehicles.

In 2023, FedEx Express deployed its first 10 electric vehicles in South Africa as part of its ongoing effort to reduce its carbon footprint. FedEx is working towards a goal to transform its entire global pickup and delivery fleet to zero-emission electric vehicles by 2040.

To achieve this, FedEx Express says that 50% of all new vehicles purchased until 2025 will be electric, and from 2030 onward 100% of purchases will be EVs.

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The electric last mile

Nowhere does the use of EVs make more sense than in the last mile of delivery. While South Africa has needed to be more active in adopting EVs, electrifying vehicles for last-mile deliveries could greatly enhance overall efficiency. Additionally, it presents a much more feasible option for retailers offering on-demand deliveries.

Craig Langton

Also on the rise is the use of electric motorcycles, says Craig Langton, Group Founder of Hero Motorcycles and Last.Mile.Fast. He continues ...

> “Reducing carbon footprint in South Africa in the on-demand sector starts with understanding what motorcycles can deliver. It is also important to understand what motorcycles are used to perform the delivery. Most motorcycles sold in South Africa still have internal combustion engines and are price point focused. These are not necessarily environmentally friendly or focused on consuming fewer parts and oils.”

But, says Langton, there is increasing recognition that choosing an ESG-focused motorcycle has real benefits. “Not only do they offer the lowest environmental impact, but also higher profits. As the e-commerce sector continues to grow, more South Africans are going to demand on-demand deliveries, meaning more efficient on-demand vehicles will be required to service the sector.”

Langton says on-demand deliveries are growing at scale to billions of dollars. He says it will become essential for retailers to opt for scooters and motorcycles that offer the necessary Euro 5 certifications and have proof of conformity with sustainable and guaranteed battery charging systems, battery performance, and essential safety features.

Visual by
Ukraine Studio,
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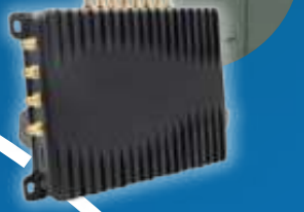

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Support short RFID read range within 50cm. Widely applied in retail store checkout, digital plate checkout, books management, pharmaceutical management, jewellery management, and more.

- Read accuracy of up to 99.9% from all orientations.
- Supports USB power supply, with optional PoE supply.
- Standard Type-C USB 2.0 interface, with optional Bluetooth 5.0 and RJ45 Ethernet connectivity. Seamlessly connect and communicate with devices running different operating systems such as Windows, Android, and iOS.
- Supports multiple operating frequencies & the ISO 18000-6C (EPC C1G2) international protocol, meeting the requirements for full-frequency UHF tag reading and writing.

DT50D Portable UHF RFID Reader

Bluetooth | IP67 | 13 MP | WIFI READY

- 50 RFID tags are captured per second in batch mode, & long reading distance of up to 1.5 meters.
- Built-in high-performance Octa-core CPU & Android 11.0 operating system.
- 4GB RAM+64GB ROM/Extended memory of 256GB.
- Support DSDS & full network in 4G/3G/2G.
- Built-in professional scan engine (1D/2D/distorted/defaced/screen codes).
- 5.7" UHD color screen.

DT50P UHF RFID Handheld Terminal

Bluetooth | IP67 | 13 MP | WIFI READY

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- 5dBi high-sensitivity RFID antenna.
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- Embedded with a 9,000 mAh high-capacity battery.

RFDT50 UHF Gun Grip

Professional removable UHF gun grip, pairing with UROVO DT50S. Flexible and portable RFID solution.

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DCI SCANNING
www.dciscanning.co.za

Image Ukraine Studio, www.canva.com

Tackling the challenges

Magadagela asserts that EVs are undoubtedly here to stay and will see increasing use. "However, there are still hurdles to overcome, with the primary challenge being the mindset surrounding their adoption. Many users are unfamiliar with this new product, which emphasises the need for a shift in perspective," she explains.

"Understanding how to integrate these vehicles into one's operations seamlessly is crucial, considering factors like charging logistics and minimising business disruptions. Moreover, electricity challenges in South Africa, including ongoing load shedding, further underscore the importance of managing power usage effectively."

She also highlights the cost barrier, noting that EVs still face higher import duties than traditional ICE vehicles. "As a result, the upfront costs of EVs are typically higher, making them less accessible to some businesses than ICE vehicles."

According to JCA's Oliver Naidoo, many of the challenges around green logistics relate to infrastructure constraints, lack of adequate financing, high initial capital costs and stakeholder perceptions. "Other obstacles other than cost, for example, in the drive to embrace EVs, include the limited charging infrastructure across the country and range anxiety.

The availability of charging stations, especially outside major urban areas, is limited, which can deter potential EV buyers, while there are still concerns about EVs' limited driving range. Coupled with the limited availability of charging stations, potential buyers can be discouraged from switching to electric," he says.

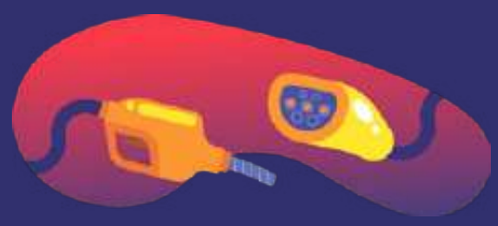
Like Magadagela, he notes that grid capacity is another ongoing consideration. "The Increased adoption of EVs could strain the existing electricity grid, especially during peak charging times, unless infrastructure is upgraded. The current load shedding scenario compounds the grid capacity constraints, with some suggesting that this makes the widespread adoption of EVs an impossibility in the foreseeable future."

Infographic by Deemakdaksina, www.canva.com

Why electric vehicles are the future

Massive changes from fossil fuel vehicles to electric vehicles are inevitable.

In 2019, 2.2 million electric cars were sold globally and represented only 2.5% of the global car market. In 2021, electric car sales tripled to 6.6 million worldwide and represented 9% of the global car market. Cars with an electrified engine are tipped to account for just under one-fourth of the global market by 2025. It is estimated that pure battery electric vehicles will account for about 7.4 percent of worldwide car sales.



Fossil fuels will not last forever

According to the research, the world will run out of oil in 50 years. Before the resource becomes so scarce and prices skyrocket, the world must look for another more sustainable alternative. Electric vehicles emit lower carbon emissions and are friendly to the environment.

Electric vehicles are cheaper in the long run

For long-run maintenance, electric vehicles are cheaper than fossil fuel cars. Electric cars have many fewer engine parts, so they require less servicing and lower the repair cost. They can even be charged at home with a home charging unit, which costs a bit of money to install, but is still very affordable.

A more comfortable driving experience

The most well-known feature of electric vehicles is that it is quiet. In addition, electric cars also have instant torque, which makes them fun to drive. Moreover, it also has a lower centre of gravity, which provides both driving and safety benefits.

From Source to Destination – Connecting Global Supply Chains

EFFICIENCY IN MOTION

From raw materials sourced in one corner of the world to finished products reaching consumers in another, the journey is a testament to human ingenuity and collaborative effort which extends beyond the boundaries of individual organizations. Efficiency in motion is the cornerstone of successful supply chain management in today's hypercompetitive business environment. In an increasingly interconnected world, global supply chains play a pivotal role in driving economic growth, fostering innovation, and enriching lives. By leveraging data-driven insights, embracing lean principles, integrating technology solutions, digitizing processes, and fostering collaborative partnerships, companies can unlock new levels of efficiency and agility within their supply chains.

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SUPPLY CHAIN: GREEN LOGISTICS & RETAIL ... continued

Mohammed bin Rashid Al Maktoum Solar Park. The 900MW sixth phase, which will use photovoltaic solar panels, will become operational in stages between 2025 and 2027. www.khaleejtimes.com

Collaboration and partnerships drive change

Most experts agree that collaboration and partnership are necessary to achieve sustainability goals.

"We cannot achieve change in isolation," says De Wet. "We have to work together as industry or we will never ee the deep emission reduction required to affect long-term change. Part of that collaboration is client partnerships."

Kamdar agrees, emphasising the potential of collaboration, especially regarding sustainability goals when objectives are aligned. "Achieving success is feasible when cargo owners and operators establish synergies. Matching load sizes with vehicle capacities, for example, can lead to a more environmentally friendly operation. Open communication between supply chain partners and customers is crucial for future progress."

Furthermore, collaboration is just as important to improve reverse logistics, ensuring that trucks do not return empty, thus maximising efficiency and reducing unnecessary emissions.

Magadagela highlights another advantage of collaboration: the opportunity to share knowledge. "Partnerships often involve entities that have experience with similar projects and understand how to mitigate the risks associated with transitioning to greener mobility," she explains.

"They recognise the importance of capturing as much data as possible before investing capital in a solution. We've witnessed significant successes in partnerships due to this shared understanding and approach."

According to Chule Qalase, Senior Manager: CSR & Sustainability at ISUZU Motors South Africa, collaborative partnerships within the supply chain play a pivotal role in enabling companies to attain their sustainability objectives through the facilitation of knowledge-sharing, collaborative investments in green technologies, and concerted efforts to develop and implement more sustainable supply chain practices. Qalase says ...

Chule Qalase

> These partnerships can extend beyond individual organisations, involving suppliers, manufacturers, distributors, and customers. By fostering a comprehensive network focused on sustainability, companies can collectively address complex challenges associated with environmental impact.

"This interconnected approach allows for the pooling of resources, expertise, and innovative solutions, ultimately creating a synergistic effect that accelerates the adoption of sustainable practices throughout the supply chain. Through shared commitment and collaboration, the collective impact of these efforts will drive meaningful progress towards a more sustainable and responsible future for the industry."

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It's personal

Aligning with consumer preferences for sustainability goes beyond the product itself

The MSC Capella in Puerto Talcahuano, Chile. The vessel – with a length of 366.45 m, a beam of 48.20 m and a capacity of 13 119 TEUs – became the largest ship ever to call in on San Vincente International Terminal (SVTI).
Photo courtesy of www.msc.com/

Meeting consumer demand

Consumer preferences and demands for sustainability significantly influence decision-making in the retail and supermarket sectors. Companies are increasingly adopting eco-friendly transportation and storage solutions to align with consumer expectations and enhance their brand reputation in the market, explains Qalase.

"Additionally, companies in the retail and supermarket sectors recognise that aligning with consumer preferences for sustainability goes beyond the product itself. It extends to the entire supply chain, including transportation and storage practices. To meet the growing demand for eco-conscious choices, businesses invest in sustainable packaging materials, optimise logistics to reduce carbon footprints, and implement energy-efficient storage solutions. "

"This strategic alignment with consumer values establishes a sense of corporate responsibility, fostering loyalty and trust among environmentally conscious consumers. As sustainability continues to drive consumer decision-making, businesses must integrate environmentally friendly practices into every facet of their operations to remain competitive and socially responsible."

A challenge that persists is the high cost associated with green goods. "There's a definite perception that green products come with a higher price tag, and unfortunately, that's often the reality," explains De Wet. "In an economy facing constraints where consumer spending is under pressure, these products can sometimes be sidelined, which isn't conducive to overall sustainability. Cost competitiveness must be prioritised, and we must actively strive to change this perception to encourage greater adoption of green products."

Illustration courtesy of https://smartfreightcentre.org/en/

Magadagela observes that consumers are now more aware of ESG responsibilities than ever, placing pressure on retailers to offer products with a lower carbon footprint. “We’re witnessing an increase in inquiries regarding packaging, transportation, and overall sustainability,” she notes. “This shift in consumer demand will inevitably drive players in the retail sector to insist on more sustainable solutions from their service providers.”

Kamder highlights that this trend is already noticeable in the transport sector, where significant pressure for sustainability originates from large brand owners seeking increased reporting and accountability from transporters. “Looking ahead, there’s no question that purchasing decisions will increasingly consider the embedded CO_2 profile of a product," he predicts. "Arguments favouring local products over imports and advocating against buying out-of-season items will become more prominent."

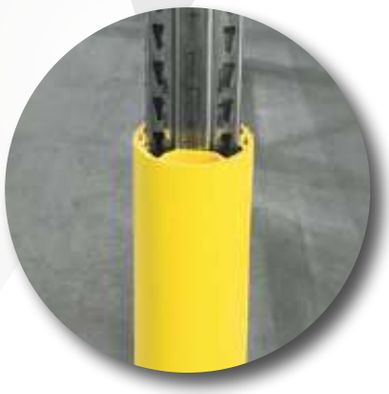
He emphasises that this rapidly evolving landscape requires retailers and their logistics service providers to stay constantly updated on emerging trends.

"The most agile and forward-thinking retailers are already aligning themselves with customer preferences, which will become a significant competitive advantage over time. In the transport sector, companies willing to build robust data sets and cultivate knowledge as integral parts of their institutional resources within their management teams while ensuring they have the right skills in place will find themselves forging ahead," he says.

According to Kamder, the growing opportunities to experiment with new initiatives, ongoing innovation, and the development of technologies are propelling the retail sector and its supply chain service providers towards a significantly more sustainable future.

"Those capable of navigating short-term complexities and integrating resilience into their business models will gain a competitive edge, not only in reducing CO_2 emissions but also in overall business sustainability."

FLEXIBLE BARRIERS,
SAFER WORKPLACE



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Concept by Elnur, www.canva.com

Standards across the supply chain

According to Oliver, standards will undoubtedly play a pivotal role in the future as companies are held accountable to specific benchmarks.

"ISO 14001 is the internationally recognised standard for environmental management. At the heart of this standard is the commitment to the reduction of pollution and responsible consumption of energy. This standard requires a business to identify all aspects of the business that impact the environment. These include resource consumption, waste generation, emissions monitoring, effluent management and other contributory factors," he says.

"Based on this environmental aspect and impact analysis, one must implement environmental programmes that monitor key performance indicators (KPIs)."

"In a transport business, one would need to develop a calculation methodology for determining the quantity of carbon dioxide emissions arising from the transport operations. The calculation should report the kilograms of CO_2 per ton of payload transported and would need to consider the diesel volumes, tonnage and vehicle emissions factor (e.g. Euro 5). The ISO 14083 standard provides detailed guidance on calculating carbon emissions for various supply chain stakeholders."

Illustration by courtesy of www.nistglobal.com/

De Wet says the ISO 14038 is a crucial tool for measuring logistics emissions establishing a common methodology. "This standard facilitates best practices and benchmarking, while the Global Logistics Emissions Council (GLEC) framework serves as another valuable tool to help companies assess if they are heading in the right direction."

"While there aren't many companies currently reporting to GLEC's standard, significant efforts are underway to change this," notes Kamder. "The first step is understanding what GLEC entails and how implementing these standards and frameworks can benefit one's business in the long run. Getting it right hinges on credible information – crucial for retailers and their supply chain service providers."

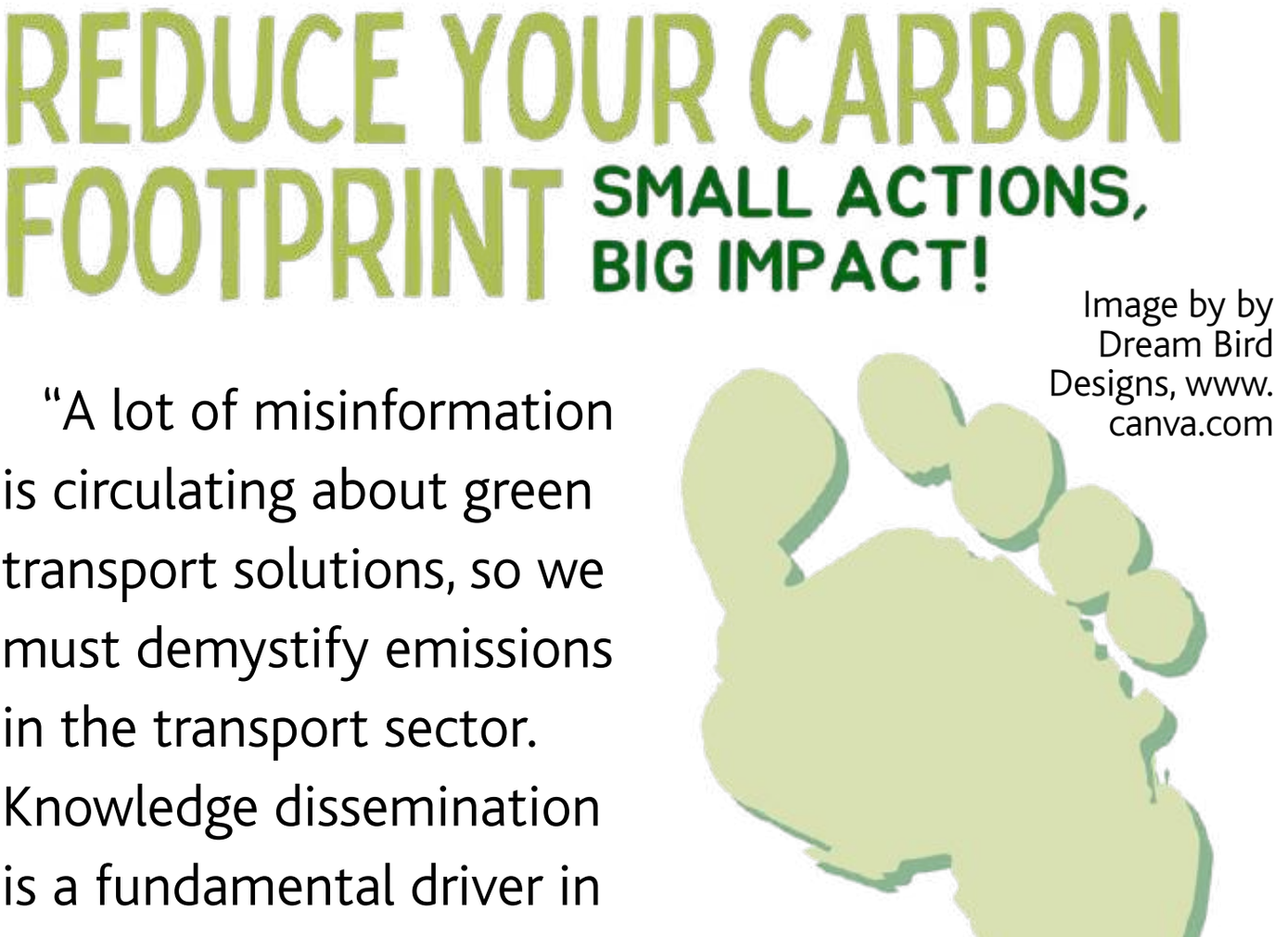

Image by by Dream Bird Designs, www.canva.com

"A lot of misinformation is circulating about green transport solutions, so we must demystify emissions in the transport sector. Knowledge dissemination is a fundamental driver in promoting greener practices."

The experts agree that the journey towards greener logistics and transportation is both a challenge and an opportunity.

"Companies across various sectors, from retail to transport, increasingly recognise the importance of sustainability in their operations. Collaborative efforts, innovative technologies, and a shift towards consumer-driven demand are driving this transformation," says Magadagela.

While challenges such as high costs and infrastructure limitations persist, concerted efforts are being made to overcome these obstacles. Standards like ISO 14001 and ISO 14038 and frameworks like GLEC provide valuable guidance and benchmarks for companies navigating the path towards sustainability, says Naidoo.

According to Kamder, as businesses continue to evolve and adapt to meet the demands of a changing world, integrating eco-friendly practices into supply chains will benefit the environment and contribute to long-term profitability and competitiveness. He says ...

> “By embracing these changes and working together towards a common goal, the future of logistics and transportation can be both sustainable and prosperous.” **SR**

Catherine Larkin is a communication and marketing professional, specialising in Logistics, Transport and Supply Chain. Her company, CVLC Communication, is a corporate public relations, communication, marketing and events consultancy. Its services range from full secretariat support, project management and administration.

RETAIL & LOGISTICS

Relog

The development of a new distribution centre – Twiga, Nairobi, Kenya.

Optimising retail operations for a sustainable supply chain

In today's business landscape, the pursuit of sustainability is not just a moral imperative but a strategic necessity. While the notion of exclusively using organic and biodegradable products is linked to sustainability, embracing resource consciousness and optimising utilisation, can drive significant progress towards a sustainable future.

Fast-moving consumer goods (FMCG) retail operates on thin profit margins and high volumes, making efficiency paramount. Maximising efficiency across distribution centres and networks is crucial for building sustainable operations. Supply chain efficiency is pivotal for retail success, making those efficiencies sustainable is essential. Cultivating a culture of continuous improvement at each stage of the value chain empowers business to reduce operational expenses, minimise waste, and enhance efficiency. A sustainable supply chain yields substantial cost savings through process optimisation, energy conservation, and waste reduction.

In collaboration with Pick 'n Pay, Relog was able to design a solution that uses rainwater to cool compressors in refrigeration plants, subsequently repurposing the now warm water to clean returnable equipment. This initiative reduces waste disposal, minimises chemical usage, and cuts energy consumption.

Relog's core focus on operational efficiency involves optimising internal processes and layouts to maximise productivity while minimising labour and energy inputs. Through continuous observation, analysis, and adaptation, coupled with data-driven insights, Relog spearheads transformative ventures like "ReInfer."

ReInfer, Relog's latest innovation, harnesses real-time transactional analysis, facilitating ongoing operational optimisation. By providing businesses with the means to continuously measure, adapt, and optimise processes, ReInfer empowers them to achieve a lean, sustainable supply chain with minimal waste and redundancy.

A sustainable supply chain goes beyond the ecological aspect. By integrating sustainability into their supply chains, businesses not only affirm their commitment to environmental responsibility but also position themselves to reduce operational costs, meet or exceed regulatory standards, and cultivate a positive brand image.

This approach fosters a culture of innovation, allowing companies to adapt to evolving market trends while demonstrating leadership in sustainability. Ultimately, this builds resilience, enabling businesses to thrive in a dynamic and ever-changing business landscape, securing long-term success and customer trust.

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Warehouse management is a vital link in supply chain optimisation

Warehouse management is a vital link in an efficient, resilient, sustainable supply chain, but according to SAPICS (The Professional Body for Supply Chain Management), the crucial role that the warehouse plays in the supply chain and in organisational success is often overlooked by companies. "Today, more than ever, qualified and skilled personnel are needed to ensure optimisation across the entire supply chain, to add value and deliver a competitive advantage," says SAPICS president MJ Schoemaker.

"Warehouses that are not functioning well can have a significant impact at every stage of the supply chain. Warehouse management helps to ensure the availability of the right goods, in the right quantity at the right time; the safe, secure and optimal storage and distribution of goods; and their timely delivery, in perfect condition, to ensure customer satisfaction and business success. There have been great advances in warehousing technologies over recent years, but many warehouse managers still find inefficiencies in their operations. At the same time, consumer expectations for customised products, product transparency, and faster delivery are putting increased pressures on supply networks," Schoemaker says.

Warehouses must even function well in reverse, she notes, and this, too, is more important than ever because with the rise of e-commerce, product returns are higher. Reverse logistics encompasses all the activities associated with a returned product or product components that are effectively moving backwards through the supply chain. "One downside to e-commerce is the high rate of returns. Up to 40 per cent of goods purchased online end up being returned. This is substantially higher than in-store returns, where shoppers return just five to 10 per cent of their purchases. The high rate of returns in e-commerce means that 20 per cent more space and labour is needed for reverse logistics."

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Company Profile

With the head office based in Cape Town, **Southern Storage Solutions-Dexion** network provides support to customers on a national basis and into Africa. With over 55 years international experience in Materials Handling and Storage Systems, Dexion have the expertise required to solve any storage requirements.

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The company also offers a full racking inspection service which can be completed every six months, or where necessary on a more frequent basis. This includes a full audit on the storage system, a detailed report and recommendations on damage prevention. Certification can be provided on request.

The Dexion Brand is consistently known around the world for:

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- Market-leading ideas surrounding concepts such as space utilisation and the effective storage and handling of items associated with a business;
- Excellence in customer service.

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The primary theme of today's advertising and promotion is 'Smarter Thinking'. It is embraced at all levels of the organisation. We understand that we need to think smart, be smarter in the way that we work with our customers, smarter in the solutions that we provide, and strategically smart to stay ahead of the competition.

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Supply chain sustainability

"Supply chain sustainability leaders are increasingly citing the energy used in their facilities as one of the best levers supply chains have to reduce their emissions. While material and product use are significant contributors, supply chains usually have more control over the decisions concerning energy sourcing for their facilities."

Warehousing specialist Adri McCaskill, who is the General Manager for iPlan's Warehouse Management business unit, likens a failing warehouse to a critical patient in an emergency room. "Turning around a failing warehouse operation is similar to an emergency doctor's methodology. First you check the vitals, then you stop the bleeding through a triage approach, and finally you stabilise for the long term," McCaskill explains.

"An exploration of the vitals for a warehouse operation includes evaluating the quick and efficient movement of inventory; the control and ownership of operations; and the interaction between people, process and technology. Triaging prevents a worsening situation by prioritising focus areas, putting controls in place to act as a tourniquet, and implementing stop-gap temporary processes as needed.

For long-term stabilisation, we must design process improvements, document detailed work instructions and provide extensive training and handholding.

Warehouse managers must be able to identify the critical processes, understand who needs to take ownership and control, and ascertain where the problems typically lie when a warehouse is ailing. It is crucial to be able to identify the vitals among the chaos," she stresses. **SR**

RENTAL vs USED FORKLIFTS

Rental FORKLIFT

Visual by grafikonteam, www.canva.com

Short-term forklift rental vs used forklifts

Making the right choice

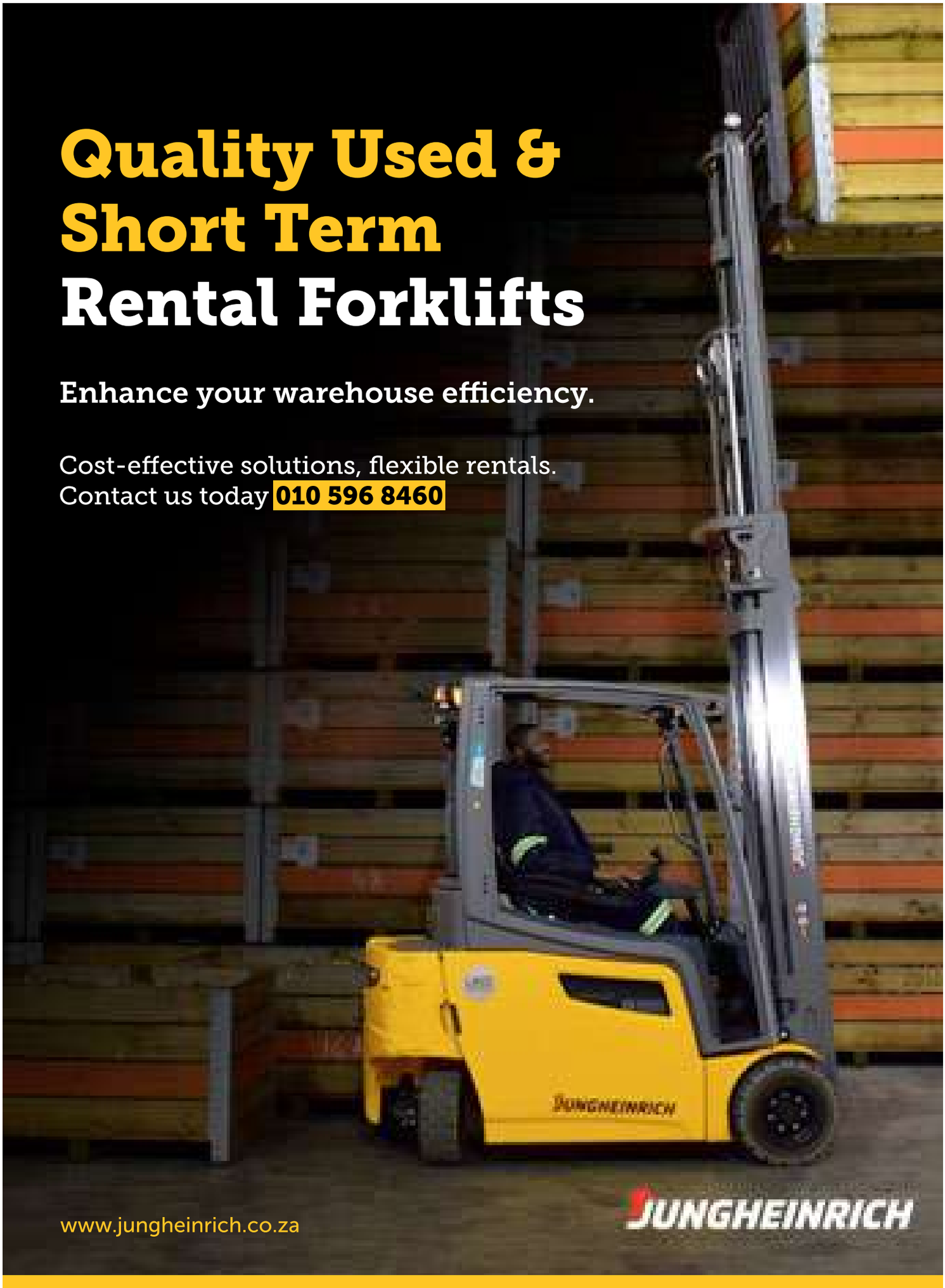
When it comes to acquiring forklifts for your business, you're faced with a critical decision: short-term rental or purchasing used forklifts. This decision significantly impacts both productivity and cost management, and understanding the advantages of each option is essential for making an informed choice.

Short-term forklift rental provides flexibility and convenience without the commitment of ownership. It proves cost-effective, especially for occasional or seasonal use, as it eliminates upfront costs and ongoing maintenance expenses.

Rental services typically offer a range of the latest forklift models to suit specific needs, along with maintenance and support throughout the rental period. Rental periods are tailored to individual requirements, ranging from short-term arrangements for a day to longer-term contracts lasting up to a year. Whether you need a single vehicle or an entire fleet, flexible contract options make it easy to find a solution that meets your needs.

Conversely, investing in a used forklift offers its own set of advantages. Used forklifts are more affordable than new ones, providing ownership without the financial burden of purchasing new equipment. With full ownership comes the flexibility to customise the forklift to suit specific operational requirements. While the initial cost may be higher than renting, a well-maintained used forklift can deliver reliable performance for years, offering a solid return on investment over time.

Businesses opting for used forklifts can also benefit from reduced depreciation costs compared to buying new equipment. Additionally, they have the opportunity to access a wider range of models and features than those limited to the latest models available for rental.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Ultimately, the decision between short-term rental and used forklifts depends on factors such as budget, usage patterns, and long-term goals. Careful evaluation of these considerations will help businesses make an informed choice that optimises productivity and efficiency in their operations. Whether opting for the flexibility of short-term rental or the ownership of used forklifts, investing in the right equipment is essential for business success. **SR**

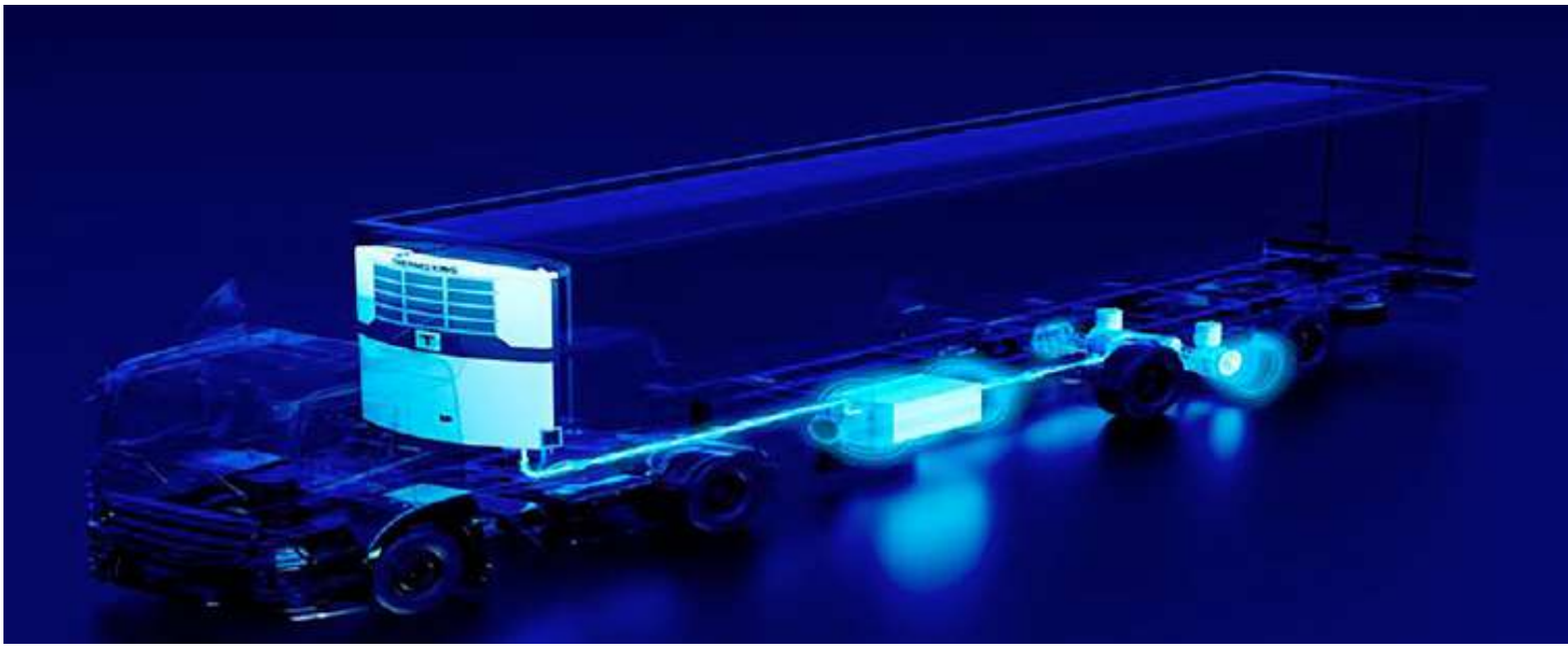
TRANSPORT COOLING AFRICA

Transport Cooling Africa is proud to announce the launch of Thermo King AxlePower with BPW's ePower Axle Technology in Africa

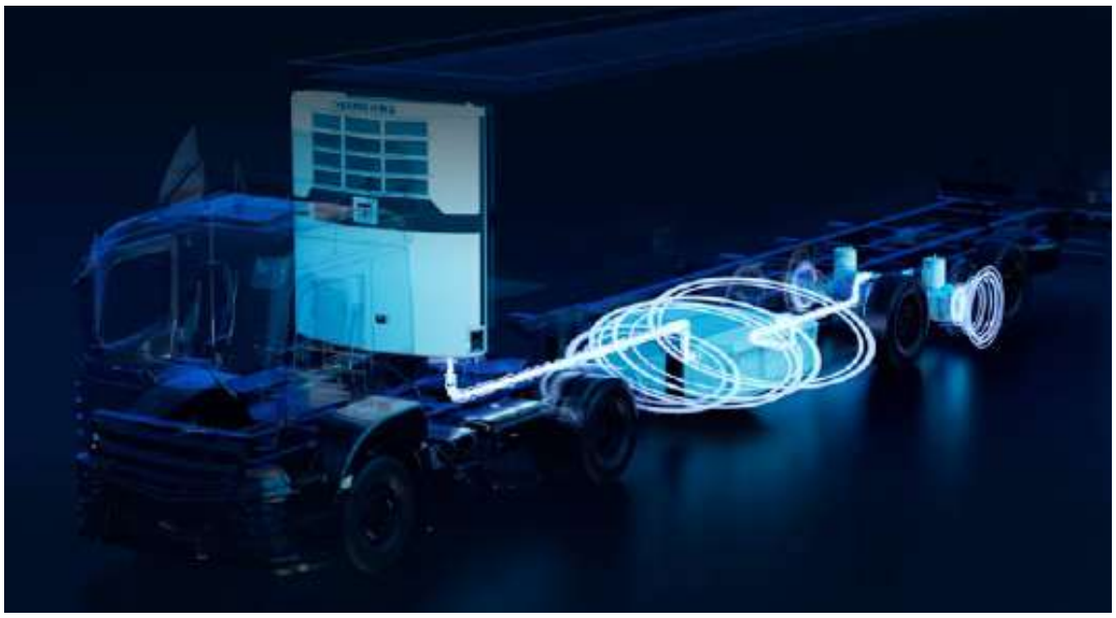
AxlePower

Transport Cooling Africa, as the proud supplier of Thermo King products in Southern Africa, announces the launch of Thermo King's AxlePower, a pioneering technology engineered for sustainability, zero emissions, and unparalleled energy efficiency. AxlePower represents a monumental leap towards a cleaner, greener future.

The AxlePower technology with BPW's ePower axle, the latest innovation in Thermo King's technologies portfolio, converts energy from the vehicle and its braking system into a continuous power source for Trailer Refrigeration Units.



In addition to the introduction of this new exciting technology, Transport Cooling Africa celebrates a pioneering milestone, delivering the inaugural AxlePower power technology system to DP World. With eight additional systems slated for installation over the next two months to various other industry leading customers, the partnership between Transport Cooling Africa and its industry leading customers, underscores a commitment to efficiency and environmental stewardship.



The AxlePower technology is a fully integrated system that combines Thermo King hybrid or fully electric trailer refrigeration units, BPW's ePower axle energy recovery system, and battery storage technologies developed to create an efficient, autonomously powered trailer refrigeration solution. The system stores the energy generated while the vehicle is rolling or braking in a high voltage battery and reuses it to power the refrigeration unit and keep the cargo at optimal temperature.

The AxlePower system is tractor-independent, which makes it easy to deploy across the customer's fleet. The technology also offers immediate compatibility with all Thermo King and Frigoblock trailer refrigeration units.

The deployment of Thermo King's AxlePower technology offers multifaceted advantages to our customers, ranging from enhanced energy efficiency to substantial cost savings and environmental stewardship. It furthermore reduces reliance on fossil fuels, fosters goodwill, and enhances brand reputation, positioning our customer as a leader in corporate sustainability and responsible business practices.

As we look towards the future, the integration of AxlePower technology serves as a beacon of hope and inspiration, signalling the dawn of a new era in energy efficiency and environmental sustainability on the African continent and beyond.

About Transport Cooling Africa (Pty) Ltd

Transport Cooling Africa, a subsidiary of the Beijer Ref Group has been one of Southern Africa's largest independent suppliers of transport refrigeration equipment, tail lifts and load body accessories for over 55 years.

We are the official Thermo King and Anteo authorized sales, service, and parts dealer in Southern Africa. Thermo King is the world leader in transport temperature control systems for trucks, trailers, buses, rail cars, container units and gensets.

Transport Cooling Africa has built its success on unparalleled industry knowledge and exceptional, reliable service. We supply our Transport temperature control customers cutting edge technologies, so that they can build better and sustainable businesses. Visit www.transportcoolingafrica.com for more information.

About Thermo King

Thermo King – by Trane Technologies (NYSE: TT), a global climate innovator – is a worldwide leader in sustainable transport temperature control solutions. Thermo King has been providing transport temperature control solutions for a variety of applications, including trailers, truck bodies, buses, air, shipboard containers, and railway cars since 1938. For more information, visit www.europe.thermoking.com or www.tranetechnologies.com.

About BPW Axles (Pty) Ltd

BPW Axles has been operating in South Africa for almost 80 years. Initially known as ERN Quality Products (Pty) Ltd, and since 1962, in BPW Bergische Achsen KG's hands making it the oldest daughter company in the BPW Group. BPW Axles proudly assembles the latest BPW running gear range and components, selected to suit all agricultural and heavy-duty applications for Southern Africa. For more information visit https://bpw.co.za/

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BPW Bergische Achsen KG is the parent company of the BPW Group. With around 1 500 employees, including around one hundred trainees, the family-run company has been developing and producing complete running gear systems for truck trailers and semi-trailers at its headquarters in Wiehl since 1898. BPW's technologies include axle systems, brake technology, suspension, and bearings. BPW's trailer axles and running gear systems are in use in millions of vehicles around the world.
An extensive range of services also provides vehicle manufacturers and vehicle operators with the opportunity to increase economic efficiency in their production and transport processes.
www.bpw.de/en

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Visual: https://oilprice.com/Energy

Disruptions to the supply chain on the high seas

Goods transportation by sea remains predominant in global trade. Shipping disruptions have extensive implications on trade and supply chains, including inflation and food and energy security, according to SAPICS, an authority in supply chain management.

In the first quarter of 2024, the International Chamber of Commerce (ICC) International Maritime Bureau (IMB) expressed concerns over maritime piracy resurgence off

Somalia's coast. The report documented 33 piracy and armed robbery incidents against ships, compared to 27 in the same period in 2023. These incidents included boardings, attempted attacks, hijackings, and violence against crew members.

John WH Denton

John WH Denton AO, ICC Secretary General, emphasised the need to safeguard trade routes and protect seafarers amidst piracy threats, emphasising the importance of uninterrupted trade flow.

Additionally, challenges arose in two vital shipping lanes. Houthi rebel attacks in the Bab al-Mandab Strait redirected vessels around southern Africa, reducing trade volumes through the Suez Canal by 40%. Similarly, climate-related issues in Panama caused a 30% decrease in trade through the Panama Canal. Panama's plan for a 'dry canal' aims to address these challenges. Meanwhile, South African ports face congestion and infrastructure issues hindering their potential as alternatives.

These disruptions impact global maritime trade significantly, affecting businesses, economies, and consumers. UNCTAD reports shortages in goods due to extended cargo delivery times, particularly affecting East African avocado, tea, and coffee supply chains. Rerouting vessels around Africa adds approximately 12 days to shipping journeys, reducing effective container shipping capacity by about 9%.

The Rubymar is the first ship to have been sunk by the Houthis.
www.bbc.com

In addition to piracy and geopolitical tensions, environmental concerns also pose challenges to maritime trade. The increase in extreme weather events, such as hurricanes and typhoons, disrupts shipping schedules and port operations, further exacerbating supply chain disruptions.

In summary, disruptions in maritime trade necessitate proactive risk identification and mitigation strategies to navigate the challenges posed by piracy, geopolitical tensions, and environmental factors. **SR**

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Vital Distribution Solutions has worked to build partnerships with its clientele that are based on integrity ever since it was founded. The hands-on management team and dedicated staff, with top management constantly involved with the business and easily reachable, are keys to its success.

Vital takes the responsibility for a reduction in carbon emissions and switching to more sustainable transportation systems seriously. Vital set its environmental strategy in 2018 and updates this environmental strategy annually measuring its performance against goals for a sustained reduction of carbon emissions.

Vital seeks to accomplish this by concentrating on important long-term strategies, addressing the full value chain, by utilising a variety of business intelligence tools. This implies that the entire transportation life cycle is examined, through building close working relationships with the OEM, rigorous route planning and optimisation, and exploring alternative means of green transport.

Vital Distribution Solutions has demonstrated its commitment to sustainable transport by investing in industry leading transport management software and establishing its 24/7 operational control tower.

This, together with ensuring continued focus on fuel-efficient vehicles, creates a targeted advantage in terms of daily measurements and ensures that every aspect of business operations is continuously controlled and enhanced.

In addition, Vital actively fosters a culture of mindfulness among staff members by promoting sustainable environmental development initiatives and holding monthly environmental awareness campaigns.

According to Minca Worsley, Compliance Officer of Vital Distribution Solutions the primary objective moving forward is to further reduce inefficiencies, optimising available resources and offering clients an integrated, sustainable business approach that establishes environmental compliance as a non-negotiable and contributes to the reality of a greener tomorrow.

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Retail & Wholesale Brand Space

By Guy Lerner

The final frontier

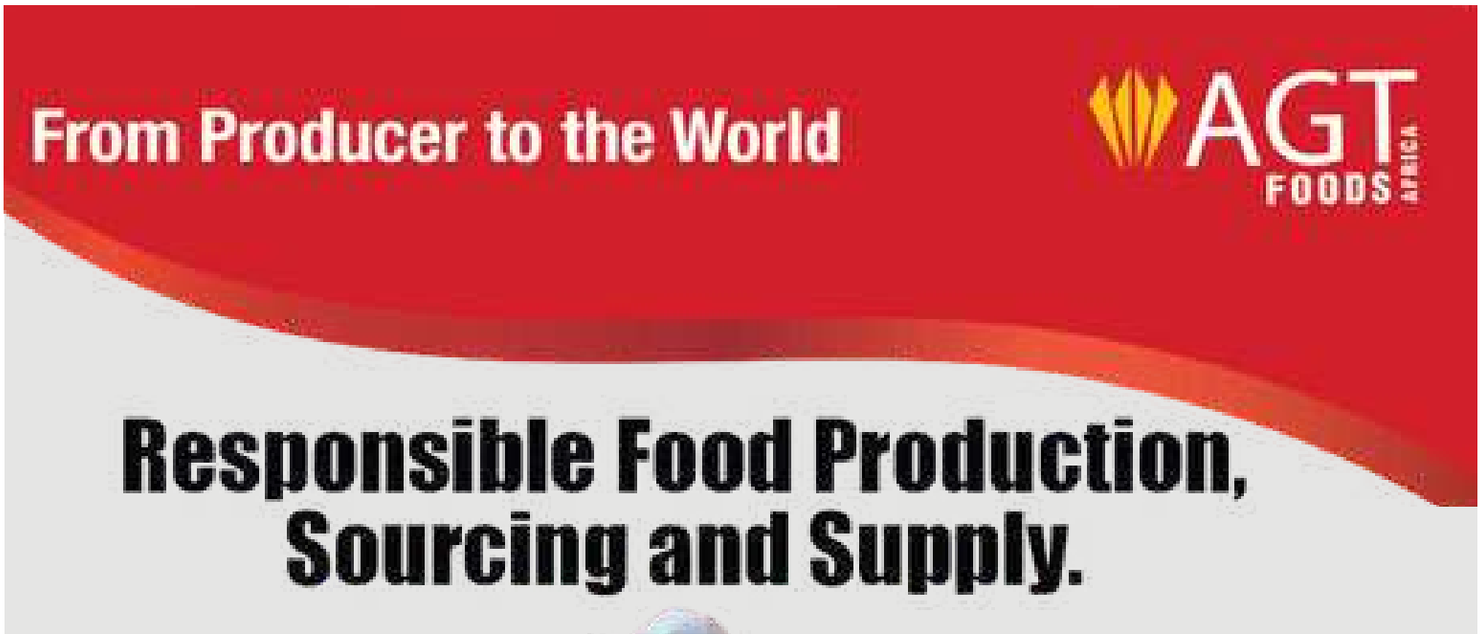
In South Africa's dynamic, thriving and multifaceted supermarket, wholesale and retail environment, the store brands that excel at crafting a compelling

'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.



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Understand your audience ... Generational traits

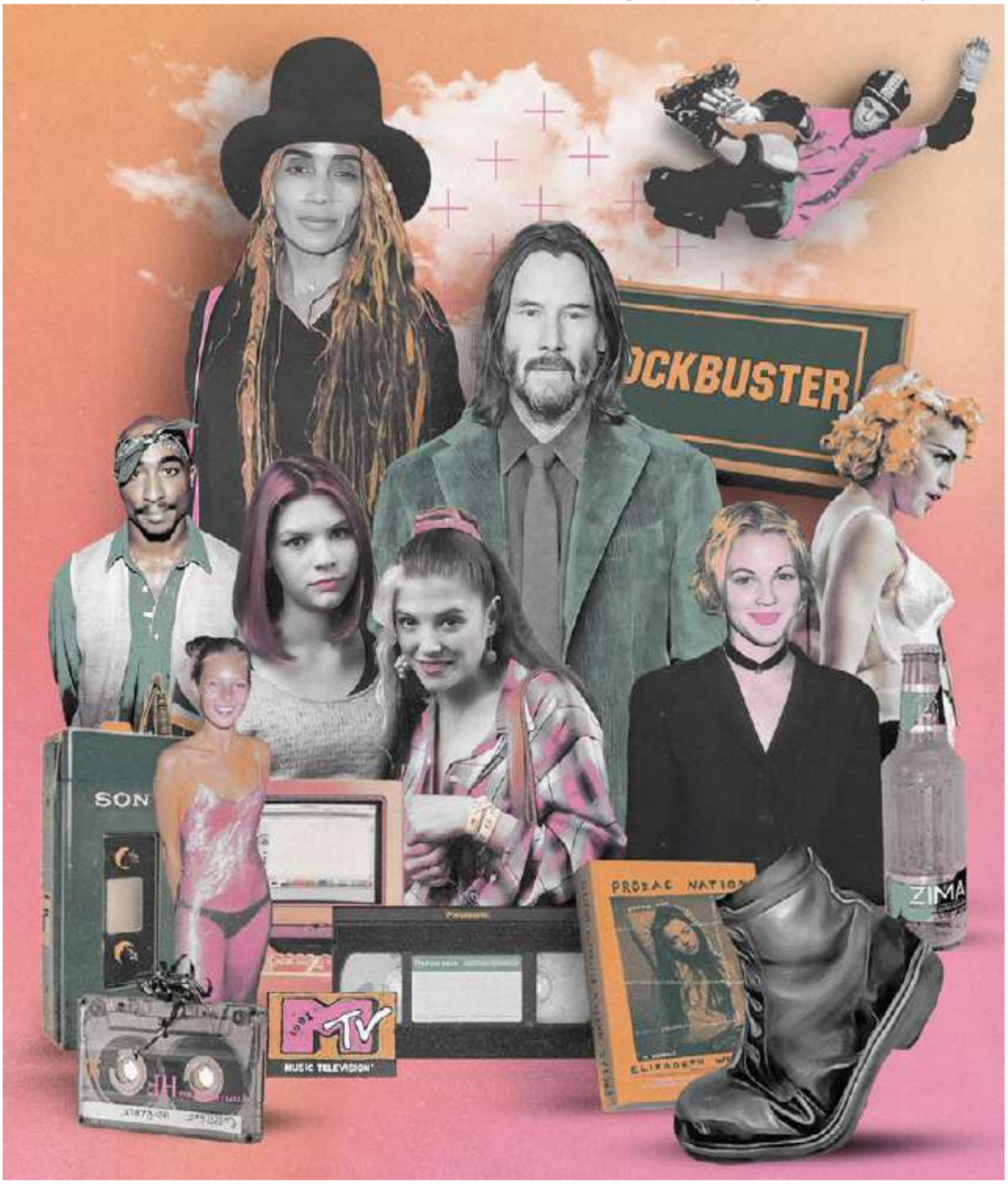
South Africa's consumer base has been stratified along distinct generational boundaries, each with unique characteristics and shopping habits. Tailoring your brand space for maximum impact requires an understanding of these differences and how they apply to your particular brand. It is important to remember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

Photo: www.milwaukeeindependent.com/

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.

Image courtesy of www.wsj.com/



Gen X. This is the value-conscious generation born between 1965 and 1980 that prioritises practicality and functionality, according to FasterCapital. They are self-reliant, favour self-growth and are individualistic. They are also heavy social media users. Gen X control

a significant portion of disposable income in South Africa and appreciate brands with a strong heritage and ethical practices. Consider offering high-quality, durable products and highlighting sustainable sourcing to resonate with this demographic.

Millennials (born 1981-1996) are experience-driven and tech-savvy digital natives. We Are Testers research suggests they seek brands that align with their social values and offer personalised experiences. Millennials are confident with technology, cautious about their data, love to travel and are nostalgic (much-loved South African brands, take note). They are also socially conscious and place high value on corporate social responsibility. Creating interactive in-store displays and leveraging social media to highlight brand stories and values can be effective strategies for connecting with this generation.

Image by View Apart, www.canva.com

Gen Z. Authenticity and social responsibility resonate most with Gen Z (born 1997-2012). A Business Insider report highlights the importance of social media influence for reaching Gen Z. They are highly digital, love flexibility and favour brands engaging on social media and promoting sustainability. They engage through their smartphones and expect personalisation on all fronts – although they can see through exaggerated language and fake marketing.

Partnering with local influencers and displaying your brand's commitment to environmental responsibility can be a winning strategy.

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

Gen Alpha. While young, Gen Alpha (born 2013-present)

is digitally immersed and want genuine interactions from their brands. AI is their reality and they are hyper-connected. Online shopping is as natural as breathing to older Gen Alpha's, and they will try new technologies with the utmost confidence. They have a keen sense of social and environmental consciousness. Brands that cater to families and offer interactive experiences will resonate with this emerging generation. Consider incorporating digital elements into your in-store displays and developing product lines that appeal to both children and parents.

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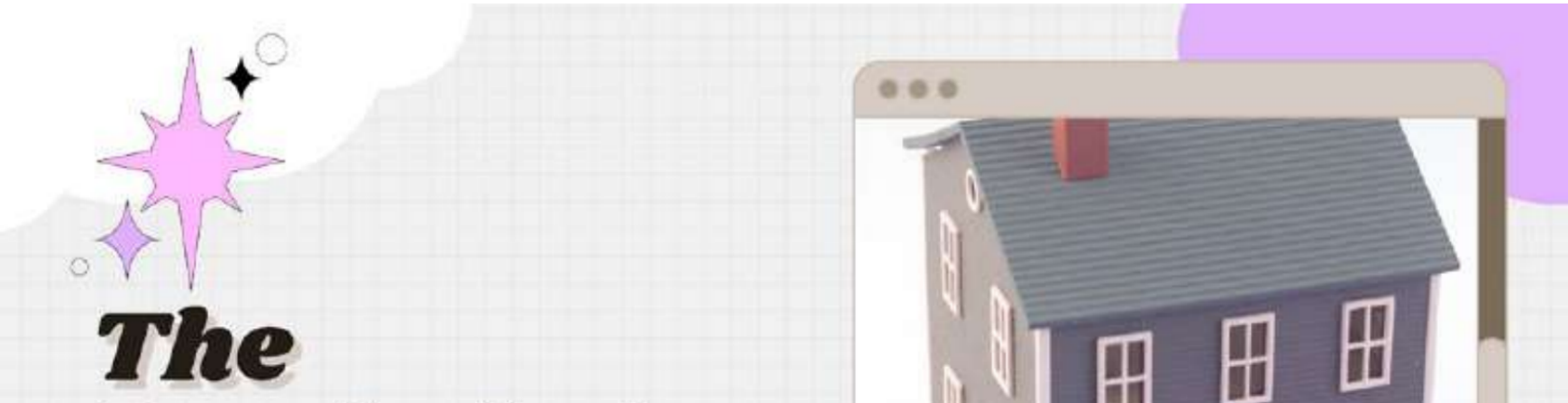

Brand psychology, www.canva.com

Building brand equity with psychology

Beyond physical presence, your brand occupies a psychological space – a position it holds in the minds of consumers. For suppliers to position their brands to retailers and wholesalers effectively, a clear brand story should be demonstrated. This includes brand values, mission, and vision, and how the product connects with consumers on an emotional level. A strong brand story builds trust and emotional connection, leading to brand loyalty.

Consistency across all touchpoints is crucial. Suppliers and retailers should ensure that their brand identity and values are integrated across physical stores, online platforms, and social media. For instance, a brand built on sustainability should prioritise eco-friendly packaging and messaging across all channels. Building a strong brand identity fosters trust and recognition, leading to brand loyalty.

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.

Images: www.shopify.com/

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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.

> “Securing shelf space in stores is essential for brand visibility and sales. Here, brand space takes on a physical dimension. Retailers and suppliers can collaborate to develop data-driven planograms that optimise product placement and maximise visibility for

www.canva.com

high-demand items. This equally applicable to online shopping.

Image by Hayra Studio,

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/

Image: /www.shopify.com/

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.

Image by Kavitaws, www.canva.com

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 ...

www.woolworths.co.za/content/article/good-business-journey/supplier-stories/_/A-cmp206004.

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

https://sparsupplierdevelopment.co.za/

www.pnp.co.za/peoplenplanet

Image: by pixelshot, www.canva.com

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.

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.

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 i n creating a programme that offers tangible rewards and a sense of community, fostering a genuine connection with the brand.

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

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BRAND SPACE ... continued

Visual: www.ripemedia.com/

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.

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**

Sources:
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Guy Lerner, writer and photographer, writes across diverse topics in business, technology, and retail, including consumer technology, telecommunications software, user experience technology, security, and power systems. He has worked with multinational companies in South Africa and Australia and is currently based in Cape Town. Guy holds a B.Sc. Honours degree from the University of Witwatersrand). Contact Wilkins Ross Communications (www.wilkinsrossglobal.com) or guy@wilkinsross.co.za.

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SUSTAINABLE PACKAGING CHEMISTRY

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By Ann Baker-Keulemans

"Millennial and Gen Z consumers are spending more on health and wellness than older consumers. They want effective, data-driven, science-backed health and wellness solutions."

Inside & out: Winter health & skincare

As winter approaches, beauty and health routines must adapt. Savvy category managers know this and plan accordingly. Changing seasons bring changing routines, from what we eat and how we protect our families, to how we treat our skin and what steps we take to ensure our good health. These changes have a big enough impact on the lives of consumers that retailers and wholesalers need to adapt to accordingly, or risk losing out to those who planned ahead.

Keep in mind that a healthy balance of on-shelf products is essential, but your online offerings can and should be broader and more varied, offering shoppers a wide range of options to suit their needs. Understanding just how South Africans shape their shopping habits to the season is as important as communicating that understanding to your customers. This makes data gathering and analytics as important as effective marketing and communications, in the race to attract and retain shoppers.

A focus on health

Immune boosters and superfoods. Consumers are increasingly aware of their health and are becoming more proactive when it comes to maintaining good health. Immune boosters, gut health support, and superfood ingredients that help fight the effects of winter lurgies are popular basket items year-round. In the winter months, however, these products take off.

In a McKinsey & Company report titled The trends defining the $1.8 trillion global wellness market in 2024, the authors state that, "Millennial and Gen Z consumers are spending more on health and wellness than older consumers." A global survey noted that, "Consumers want effective, data-driven, science-backed health and wellness solutions," and 58 percent of US respondents said they are "prioritising wellness more now than they did a year ago." These are significant stats, particularly for category managers looking to capitalise on this type of global move towards improved health and wellness.

Local consumers are also moving more towards a wellness-based lifestyle, particularly after the pandemic shocks of 2020 and 2021 where health and wellness came under such scrutiny.

In winter, supplements, homeopathic, and naturopathic remedies are hugely popular with South African consumers, many of whom can't afford the prices charged by doctor's offices and pharmacies. For others, simply keeping ahead of winter infections and staving off illness is the goal.

Tried and trusted brands are a go-to for many consumers when it comes to taking care of their families. While they are often prepared to try newly launched products for themselves, the health and safety of their families, particularly children and the elderly, is more often entrusted to well-known brands.

That need for science-backed, proven results is universal. McKinsey & Company says, "Roughly half of UK and US consumers reported clinical effectiveness as a top purchasing factor."

Left to right: Beauty influencers Mihlali Ndamase, Cynthia Gwebu and Nuzhah Jacobs. www.bellanaijastyle.com

Retailers can't ignore the impact of social media and other marketing tools, and what 'influencers' consumers are taking heed of. Beauty influencer culture is big in South Africa, with the five biggest channels being YouTube, Instagram, TikTok, Pinterest and Facebook. However, as the McKinsey & Company report notes, "Consumers said they are most influenced by doctors' recommendations when seeking care related to mindfulness, sleep, and overall health (which includes the use of vitamins, over-the-counter medications, and personal- and home-care products)."

Image: https://foodloversmarket.co.za/

Eat yourself well

A greater focus on healthy eating, as well as traditional remedies that include honey, lemon, ginger, and garlic, means there are excellent opportunities for cross merchandising and smart marketing that educate and encourage shoppers.

South African consumers are lucky because even in winter, local producers can provide a range of health-boosting seasonal fruits including apples, citrus fruit, beetroot, leeks, tomatoes, and cabbage – all of which are rich in the various vitamins and micronutrients that can help to keep winter blues (and colds) at bay.

Over-the-counter medication

Family-friendly reme-

dies and medications for common winter ailments are in high demand in the chillier months. Medications that treat fever, pain, chills, headaches, and a range of ailments from coughs and sneezes to congested sinuses should be available to shoppers at a variety of points, including personal hygiene shelves, queuing points, and points of sale.

Take popular remedies into account and ensure you are displaying the right combinations – for example, mucolytics combined with immune boosters, vitamin C, and decongestants. Most consumers prefer to do an all-in-one shop for these combinations and remedies, so stock availability is key.

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Changing the winter beauty care routine

Winter beauty routines change significantly due to the effects of colder, drier weather, wind, rain, and the use of heaters and air conditioners. For many, the chillier months simply mean a move to a lower factor sunscreen, while others take more extreme measures such as changing their moisturiser to a heavier, creamier formula and adding hydrating serums or oils as well as barrier creams. Lips and other areas such as hands, elbows, knees, and heels also need extra attention in the colder months.

Dermatologists agree that the key to keeping skin healthy in winter is moisture. Centurion-based dermatologist Dr Temi Awotedu (drtemiawotedu_dermatologist on Instagram) says, "Moisturiser is essential in winter. Moisturise to fight dryness and lock in your skin's natural moisture, a great winter facial moisturiser enhances the moisture content of your skin while also keeping it looking smooth."

It's important to hydrate from the inside, eat anti-oxidant rich foods and get plenty of omega-3s, and make sure sufficient moisturising from top to toe is done. They also recommend keeping up with the use of sunscreen, even during winter and on cloudy days, as UVA rays are always present. Many brands offer highly hydrating and protective products that are ideal for winter skin health, and these should be stocked accordingly as the weather becomes colder.

Image: by Bekeen.co, www.canva.com

Skincare routines don't just change with age and season, however, they change as consumers become more educated and knowledgeable, and as their requirements evolve. Now more than ever, brands across the board are being held to higher standards. Yes, consumers want products that are effective and do what they promise, but they also expect the brands they support to support their ideals. Ethical, environmentally friendly, sustainable practices are becoming a non-negotiable on two fronts, as legislation races to catch up with climate change and the environmental impact of so many industries, and as consumers begin to demand accountability from producers, manufacturers, and retailers.

In Africa, according to a report from Euromonitor, consumers want brands and products that promote local beauty ideals, recognise diversity, incorporate local ingredients, and cater for African hair and skin tones. Recognising the richness and multi-dimensionality of this powerful consumer base is essential for retailers, wholesalers, suppliers and manufacturers.

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Pepper contains the chemical capsaicin , a rich source of vitamin C that aids your immune system in fighting colds and flu.

SQUASH OR PUMPKIN

They are loaded with antioxidants, Vit A, Vit C, manganese, magnesium to some extent n a rich source of folate.

APRICOTS

They are packed with Vit A, Vit C, potassium and good fibre.

CITRUS FRUITS

Oranges,lime,guavas have a good amount of Vit C and antioxidants.

BERRIES

The berries strawberry, blackberry, raspberries,blueberry and cranberry contain phytochemical and flavinoids. They are rich in antioxidants too and help in building the immune system.

PULSES

Lentils rich source of Protein and are the building blocks of our body rich in folate and potassium

PEAS

It is also rich in antioxidants like flavenoids, cartenoids, phenolic acids and polyphenols.

SPROUTS

Sprouts are loaded with proteins and a powerhouse of nutrition

NUTS AND SEEDS

Nuts are almonds, walnut,seeds are pumpkin seeds,flaxseeds,sunflower seeds. Nuts and seeds are rich in Vitamin E which is an important antioxidant and immune booster.

CURD

Curd has 'good bacteria' or Probiotics which are nowadays widely marketed as health shots to be had daily .It strengthens your immune system by fighting against several microorganisms.

TURMERIC

Turmeric has anti microbial properties. It has curcurmin which is an antioxidant and has anti inflammatory properties.

HONEY

Honey has antimicrobial properties. Moreover it coats the throat and eases irritation of throat.

Note- Honey should be given only after 1 year

Vegan skincare and clean beauty

Vegan skincare is no passing fad, and it's not only about the vegan lifestyle, either. Although vegans practice a 'no harm' approach to life, from their food to their clothing and their skincare, there are additional benefits to vegan products that many non-vegan consumers appreciate. From cruelty-free testing practices to natural ingredients that are environmentally friendly, vegan products tend to be a little better for the planet, and conscientious consumers appreciate that.

Big brands are embracing the trends for vegan, environmentally safe, and natural products as more shoppers begin to demand transparency from their favourite labels. It's a trend that has taken off locally as well. Well-known international skincare brand Innoxa recently rebranded their vegan skincare range in South Africa, emphasising the fact that they've been cruelty-free since their inception in 1920. Innoxa was created in France by dermatologist Dr Francois Debat, who believed in treating every being gently. Since the beginning, the Innoxa philosophy has been 'first do no harm'.

Mirande Rossouw

Mirande Rossouw, Marketing Manager for Innoxa, says ...

"The global trend toward vegan, eco-friendly skincare has been actively reshaping the beauty industry across a lot of categories, with skincare brands being at the forefront of embracing the change. We've seen a growing demand and awareness among South African consumers towards the environmental and ethical implications of their skincare choices. As people become more conscious of the ingredients and the impact of their products, they increasingly seek out products that align with their values. This trend is reflected in the rising demand for what we call 'clean' skincare options."

Images: www.cosmetology.co.za

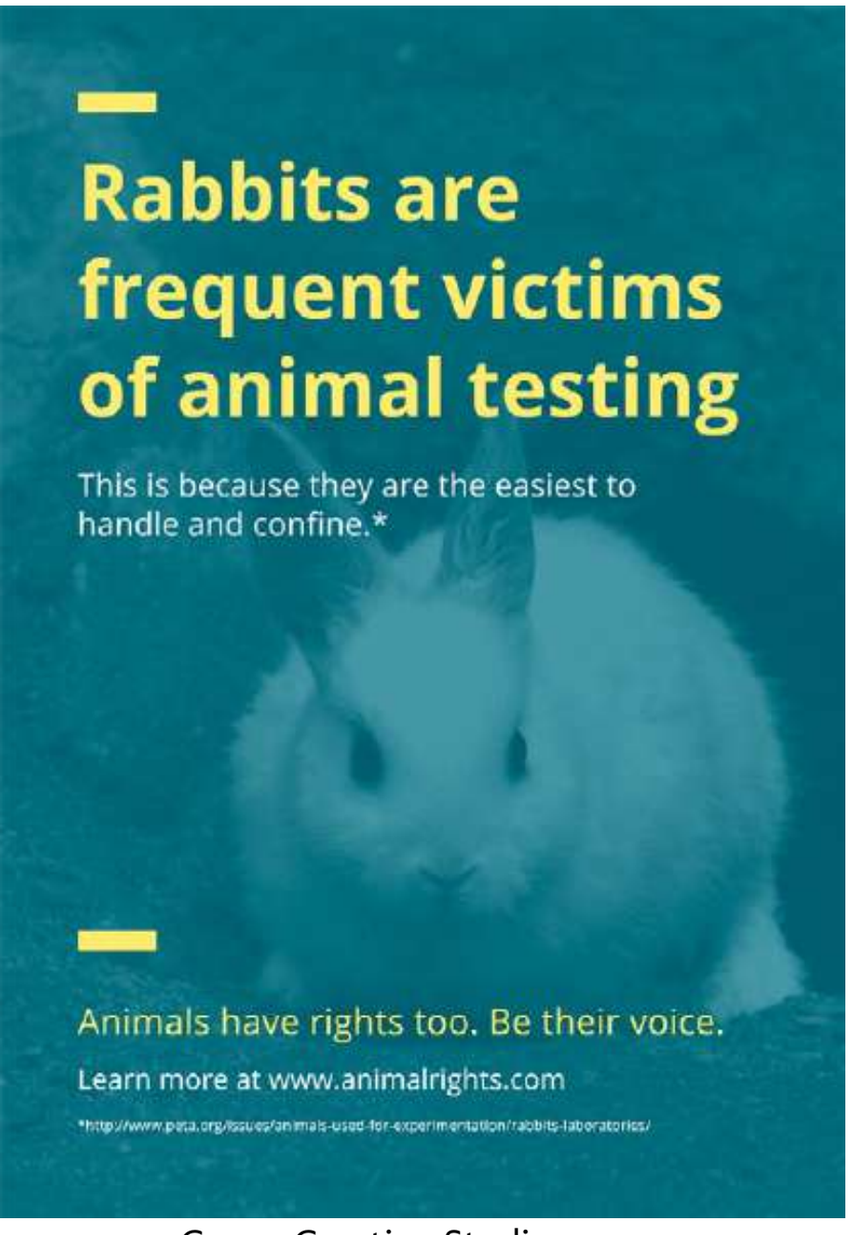
The same consumers that are pushing for more information on their food labels, the ones who want to know where their food comes from and how their cleaning products impact the environment – and their health –

are those examining every product they purchase with more awareness and understanding than ever before.

Rossouw explains, "General educational initiatives and information campaigns raise awareness about the importance of choosing and consuming more vegan, sustainable and eco-friendly options. As consumers become more informed, they are more likely to choose products that prioritise sustainability, and animal and environmental welfare. To meet this demand, skincare brands are adapting their offerings to include vegan formulations and sustainable packaging. Innoxa Vegan is a prime example of a brand embracing this trend by providing consumers with products that are not only effective but also align with their ethical and environmental principles."

Rossouw adds that the driving forces behind Innoxa's decision to relaunch as a vegan skincare brand that is also dermatologist approved was because of the rising market demand for clean skincare products that are also effective with proven results.

She says, "Consumers want to see the science behind the brand, too. Environmental concerns and ethical considerations also played a big role in the decision-making progress to relaunch the brand, hence the need to have ingredients and packaging materials sustainably sourced while still adhering to regulatory compliance. We wanted to demonstrate our commitment to meeting the changing needs and values of consumers while contributing to a more sustainable and ethical beauty industry."



Canva Creative Studio, www.canva.com

What makes this trend a movement and not a fad?

Rossouw explains, "Embracing the vegan and eco-friendly trend by large stakeholders and brands in the beauty industry is important because it promotes environmental sustainability and supports conservation efforts, reducing the beauty industry's historic environmental footprint.

By avoiding animal testing and animal-derived ingredients, brands prioritise the welfare of animals, allowing for the brand's ethics to resonate with conscious consumers."

It's also a matter of treating skin health and beauty equally. She adds, "Vegan and eco-friendly formulations prioritise natural, non-toxic ingredients, promoting safer skincare practices to protect the consumers' health. Industry-wide progress with leading brands is setting a positive example for the industry and inspiring others to adopt similar practices and drive widespread change. By leading by example, brands contribute to a more conscientious and responsible approach to beauty and skincare."

Image by Rajesh Verma, www.canva.com

Natural healing

People frequently turn to nature for healing and health support. Often with fewer side effects, natural and homeopathic remedies are seen as being less processed and gentler on the body than 'modern' or allopathic medication. Although this is not always the case, these medications and supplements can be surprisingly effective. In some instances, doctors are even prescribing these remedies to complement and support Western or prescription medications.

There are homeopathic products that support a bevy of immune functions, targeting specific areas of concern and providing a health routine that can be targeted quite specifically, if necessary. Remedies for common ailments such as congestion, coughs, and rhinitis are also popular as they tend to be non-drowsy and gently effective, with fewer of the concerns that accompany prescription antitussives (cough suppressants) and cold and flu medications.

Image: www.instagram.com/afrobotanics

In addition to these, many homeopathic and natural remedies can also assist with other functions that are necessary to stay healthy and fight off infection – from anxiety to mental health and better sleep.

Stocking a good range of these types of remedy is a wise decision as consumers take a more proactive approach to their winter health and wellbeing, and that of their family. If physical shelf space is of concern, consider a seasonal stocking remedies, with winter being more targeted to winter ailments, as well as those that are for general health and wellbeing. Of course, online shopping options can offer a far more varied range of products.

Keeping abreast of international beauty trends

Photo by Stephanie Dinkel
www.teenvogue.com

- K-beauty, or Korean beauty products, are taking the global market by storm. Well-researched, innovative ingredients, and interesting packaging are made even more tempting by a range of price points. As social media influencers continue to share their Korean beauty a beauty market ripe for exploration by local retailers.
- Innovation, from biotech to AI-beauty, is essential for driving product growth and development. Consumers are aware of this and are able to educate themselves on new ingredients, procedures, and products. They know what results they want, and they know how to get them. Ensuring your merchandise reflects these changing times is critical for sales growth. Social media platforms, skincare brands, and 'celebrity' dermatologists are good sources of information on upcoming trends and the latest innovations.

- Streamlined routines are becoming more popular as time constraints affect more product-intensive routines. More steps and more products take more time, but consumers have less and less of that precious commodity. Multi-functional products and more effective, easier routine are the current go-to.
- Age-appropriate skincare is, finally, a thing. There's a glut of products for young skin and old skin, but not a whole lot for middle-aged skin. That's a whole lot of consumers who are looking for targeted skincare products that actually address the skin they're in, and big brands are catching on.

Image by Azruca, www.canva.com

Chill factor: Get ready for winter beauty

Innoxa's Vegan Educator, Dineo Makhubela, shares her top tips for winter-ready skin ...

Dineo Makhubela

"Winter can be harsh on your skin, and it can feel like there's no escape. Cold conditions outside leave your skin sensitive, while indoor heat sources dehydrate your skin. Even the things that make winter wonderful, such as sitting by a roaring fire, can dry your skin, and although a hot shower can warm you up, hot water strips skin of its natural oils. For healthy skin all through the colder months, I recommend the following ...

- Use lukewarm water instead of hot when cleansing
- Protect your skin from the sun, even in winter
- Moisturise daily with rich creams

- Always use a hydrating serum
- Use products that will support your skin's microbiome (the microorganisms on and in your skin that keep your skin healthy).

"In winter we need more protection and moisturising routine, while in summer we need a more hydrating and rejuvenating routine." **SR**

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Ann Baker-Keulemans writes on topics related to business, lifestyle, technology, and health, with extensive knowledge on the SA retail and wholesale landscape. Contact annbk@wilkinsross.co.za | www.wilkinsrossglobal.com

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STOREWATCH: Food Town Hyper Khayelitsha

Save-A-Lot Food Town Hyper Khayelitsha, which is part of the CSH (Consolidated Store Holdings) Group, is located on the corner of Spine and Govan Mbeki roads in Khayelitsha, Cape Town. This landmark store has a vibrant, welcoming atmosphere and an interactive, engaged team.

A vibrant store for a vibrant community

Food Town Hyper Khayelitsha keeps community needs front and centre

By Wilkins Ross Communications

Save-A-Lot Food Town Hyper Khayelitsha, which is part of the CSH (Consolidated Store Holdings) Group, is located on the corner of Spine and Govan Mbeki roads in Khayelitsha, Cape Town.

This 4 700 m² landmark store has a vibrant, welcoming atmosphere and an interactive, engaged team that always has feet on the trading floor to stay closely connected to their customers. The store provides thousands of shoppers with a well-rounded shopping experience each month, with around 12 000 SKUs across a wide range of categories and a commitment to service excellence that builds loyalty for both the store and the brands it stocks. The store also shows its commitment to the Save-A-Lot community-centric philosophy, bringing more than the best prices and range in the area – there is a strong focus on meeting the needs of the people it serves.

The store by numbers

Store name: Save-A-Lot Food Town Hyper Khayelitsha

Trading area: 4 700 m²

Format: Retail and bulk buying

Departments: Meat market, fresh produce, general groceries, commodities, general merchandise, baked goods.

SKUs: ±12 000

Checkouts: 31 tills – six in the bulk buying section, 24 in retail, and one at the kiosk.

Operating hours: 7 days a week.

Staff complement: 110 combined fulltime and casuals.

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A diverse and exciting customer base

Danie van Vuuren, General Manager, says that most of the day-to-day retail shoppers are in the LSM1-4 income bracket from the Khayelitsha area, with easy access to the store as it is located on the main road into the township from the N2. It is also a regular stop-off point for local taxis and commuters. On the other hand, the store's wholesale/bulk offering attracts local schools, homes, 'shisanyama' street braaiers, and NGOs, as well as traders and stokvels from further afield.

Save-A-Lot brands and Food Town Hyper

Save-A-Lot operates under three trading brands with stores that are located in urban and peri-urban areas, as well as town centres: Food Town Hyper (hybrid stores), Powertrade (wholesale), Price Rite (wholesale and large-scale distribution centres), as well as the group's Big Deal banner group stores. Food Town Hyper Khayelitsha is one of seven nationally, and one of two in the Western Cape. The others are located in Rustenburg (two) and one each in Vryburg in the North Cape, and in Brakpan and Daveyton on Gauteng's East Rand.

The Meat Market is a big drawcard at the store, and sales data analysis ensures that a relevant range is stocked.

Biggest drawcards

Meat Market

The meat market is a big success – it goes the extra mile to deliver a range and service that works for its customers. It was revamped

in 2021 and is growing steadily.

"The butchery is a significant drawcard in the store," says Van Vuuren. "We produce our own protein sausages which are extremely popular, both with the general public and street food vendors, who braai them and sell to passersby. We produce quite a range of processed meat products ourselves, which tend to be strong sellers for us. Pork chops are also very popular with the street braaiers and we prepare and sell a lot of pork products. In fact, we are the biggest retailer in volume of pork in the area."

Van Vuuren says the butchery's product range is constantly being reviewed for new opportunities, and at the moment they are considering extending their frozen product options, such as adding more fish and offal products.

"Although offal is quite big now, there is more we can do," he says. "With the current chicken shortage because of avian flu, extending the frozen chicken range is a bit difficult at the moment, but we are exploring additional poultry products such as crumbed chicken nuggets."

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PARTNERING WITH PEOPLE TO CREATE EXCEPTIONAL VALUE

The store is invested in increasing the growth of their fresh produce department.

Fresh Produce

The well-stocked fruit and vegetable department contributes close on 8% of the store's turnover, and the store is invested in increasing this growth. Customers can buy anything from one item of fruit or veg to a whole pallet.

Combo packs have also proven to be very successful in the fresh produce department. Van Vuuren explains, "We drive combos quite hard. They give both the store and customers the opportunity to increase the range of produce they stock and buy, respectively, at competitive prices. Our customers are careful shoppers and they know when a deal is good – we make sure our specials and combos are value-adding for our customers. The hybrid nature of our fresh produce department certainly gives us the competitive advantage in the area."

Food Town Hyper Khayelitsha taps into the CSH Group's efficient local, regional and national supplier network, gaining the advantage offered by the Group's significant buying power.

> "Bringing in more local suppliers is a win-win all round, for deliveries, supply chain logistics, pricing and supporting the local economy."

The store works with all leading brand suppliers in South Africa, to ensure they deliver the products their customers want and need.

The store stocks a wide range of categories including personal care and haircare SKUs, giving suppliers a powerful route to market.

In-store promotions and competitions bring additional energy to the store and generate sales and brand awareness for suppliers in this vibrant market.

Supplier relationships

As with all Save-A-Lot stores, Food Town Hyper Khayelitsha taps into the CSH group's local, regional and national supplier network, gaining the advantage offered by the group's significant buying power.

At the same time, the store has three staff members in its buying team that sets up supplier grids with activities and activations relevant to its customer base and gives suppliers many opportunities to build their brands in the local community.

Van Vuuren says, "We're increasing our buying from local suppliers, and we're working in partnership to ensure their products and prices meet the needs of our customers. Bringing in more local suppliers is a win-win all round, for deliveries, supply chain logistics, pricing and supporting the local economy. We also work with all the leading brand suppliers. It's important for us to be able to deliver what our customers are looking for."

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- Mainly used on trolleys and shopping baskets
- Fits in a stand.

Community is key to Food Town Hyper Khayelitsha, stemming from a genuine belief that, as a business within this environment, it has a responsibility to contribute to the wellbeing of the people of the area without preconditions.

Community commitment

Community is key to this Khayelitsha store and their commitment to the community is not self-seeking. It is a genuine belief that, as a business within this environment, it has a responsibility to contribute to the well-being of the people of the area without preconditions.

"We don't blow our own trumpet to the community about our social initiatives – that's not what we're about, and that's not part of the community-focused approach that filters through all CSH and Save-a-Lot operations," says Van Vuuren.

The store's initiatives include supporting local schools, old age homes and orphanages, creches, and a home for the disabled, with food items to a specific value on a regular basis and helping local NGOs that bring valid requests.

They also provide a daily soup kitchen for about 160 children aged 12 and under, which is run by three women chef employees. Nourishing meals are provided, and Van Vuuren says it is well attended by the local children, particularly during holidays when their school feeding schemes are closed.

Outside the store in an allocated space in the parking lot is a store-sponsored primary health care clinic that provides basic health screening services to the community and refers patients to hospitals or clinics if the results need further attention.

The store has installed a reverse osmosis water purification system and sells water at very affordable prices to customers bringing their own containers. This valuable service is making a big difference to many people in the area.

Being price competitive is a vital part of providing an excellent service to their customers and Van Vuuren maintains with confidence that Food Town Hyper Khayelitsha is the most cost-effective in the area. Regular price comparisons are conducted to make sure that the store delivers consistently on its 'trolley for trolley, best price guaranteed' promise to customers.

Unlocking South African Growth

Tetra Pak South Africa joins the Proudly South African family.

Following the R500 million investment into its Pinetown plant, Tetra Pak South Africa has officially become a member company of Proudly South African organization. This certification will also allow Tetra Pak customers to use the Proudly South African logo on their products that are produced at the Pinetown plant in South Africa.

In addition to the local supply, Tetra Pak exports products and is looking at broadening its footprint by leveraging on partnerships, forming more alliances, and receiving more support to be able to continue to create meaningful change and contribute to build a stronger, more resilient South Africa.

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Stokvel clubs are an important customer segment for Food Town Hyper Khayelitsha. The store builds loyalty and trust through range, quality, delivery, pricing, and service excellence.

FOOD TOWN HYPER KHAYELITSHA

Stokvels

Stokvels are a significant

part of the customer base. When stokvels open an account with the store, they become eligible for the product and pricing offers for stokvels. Communication to stokvels is made via SMS or WhatsApp.

In October 2023, Food Town Hyper Khayelitsha hosted a highly successful 'feel-good' stokvel event in October 2023 for about 250 stokvel members, to find out about their expectations and preferences for product options for their end-of-year shopping expeditions. The clubs were also treated to a carnival day of displays, demos and tastings by participating suppliers, with competitions and spot prizes, refreshments, and other engaging and entertaining activities. "We want our stokvels to know that they're important to us and to have a sense of belonging in this store," says Van Vuuren.

The store's wholesale/bulk offering, which attracts local schools, shisanyama street braaiers, and NGOs, as well as traders and stokvels from further afield, presents opportunities for suppliers to expand their footprint in this high-volume market.

The store provides thousands of shoppers with a well-rounded shopping experience each month, with around 12 000 SKUs across a wide range of categories and a commitment to service excellence that builds loyalty for both the store and the brands it stocks.

Community marketing

The store ensures that it stays in touch and engages with its target markets with a wide range of activations, opportunities to win prizes, as well as information about what's on offer at the store.

A jumping castle is set up every day to provide welcome entertainment to children. Additional activities and entertainment are laid on for children over weekends.

In-store promotions and competitions bring additional energy to the store and generate sales and brand awareness for suppliers in this vibrant market.

In-store entertainment includes a highly popular ‘win and spin wheel’ and ‘pop a balloon’ competition, as well as supplier initiatives to engage with the store’s customers.

The massive ‘Win a Car’ competition, which ran from October 2023 to March 2024. The vehicle with participating supplier brands was on display in the store and attracted great excitement and attention among the shoppers.

A hugely popular competition is ‘Win a Car’ which ran from October 2023 until March 2024. The vehicle with participating supplier brands was on display in the store and attracted great excitement and attention among the shoppers.

The store's marketing is constant – leaflets are printed every second week and distributed to homes, schools and businesses in the area and handed out at intersections. The store also advertises in the local newspaper, Bakani.

The store's initiatives include supporting local schools, old age homes and orphanages, creches, and a home for the disabled, with food items to a specific value on a regular basis and helping local NGOs that bring valid requests.

Food Town Hyper Khayelitsha's Facebook page has many followers, and pamphlets, posters and information about events are regularly posted. WhatsApp is a primary method of communication and customers can opt in to a range of groups – including housewives, stokvels, butchery, groceries, and many others targeted to specific target markets.

Creating a meaningful presence

Van Vuuren says, "A lesson I learnt long ago from my father was that communication is not wasted. Even if a leaflet is dropped on the ground, someone might see it and the store will be top of mind to that person.

It's all part of maintaining a meaningful presence among the people who are important to the store. This is our community, and it is our privilege to support them in many ways. We know that it makes a difference to all our customers. **SR**

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By Guy Lerner

Visual by mphillips007, www.canva.com

It's a tough landscape and retailers and wholesalers are paying more for finance and insurance.

Navigating the financial rapids

Retail and wholesale finance & insurance in a challenging economic landscape

The South African retail and wholesale landscape is undergoing significant shifts, driven by factors such as economic fluctuations, digital transformation, changing consumer preferences and technological advancements.

While inflation softened from 5.6% in February 2024 to 5.3% in March 2024, the repo rate in South Africa remains at a 15-year high at 8.25%, with the prime interest rate at 11.75% in April 2024. Inflationary pressures from food, utilities (electricity), transport (fuel), and non-alcoholic beverages are the main contributors. It's a tough landscape and retailers and wholesalers are paying more for finance and insurance – and will continue to do so for the foreseeable future.

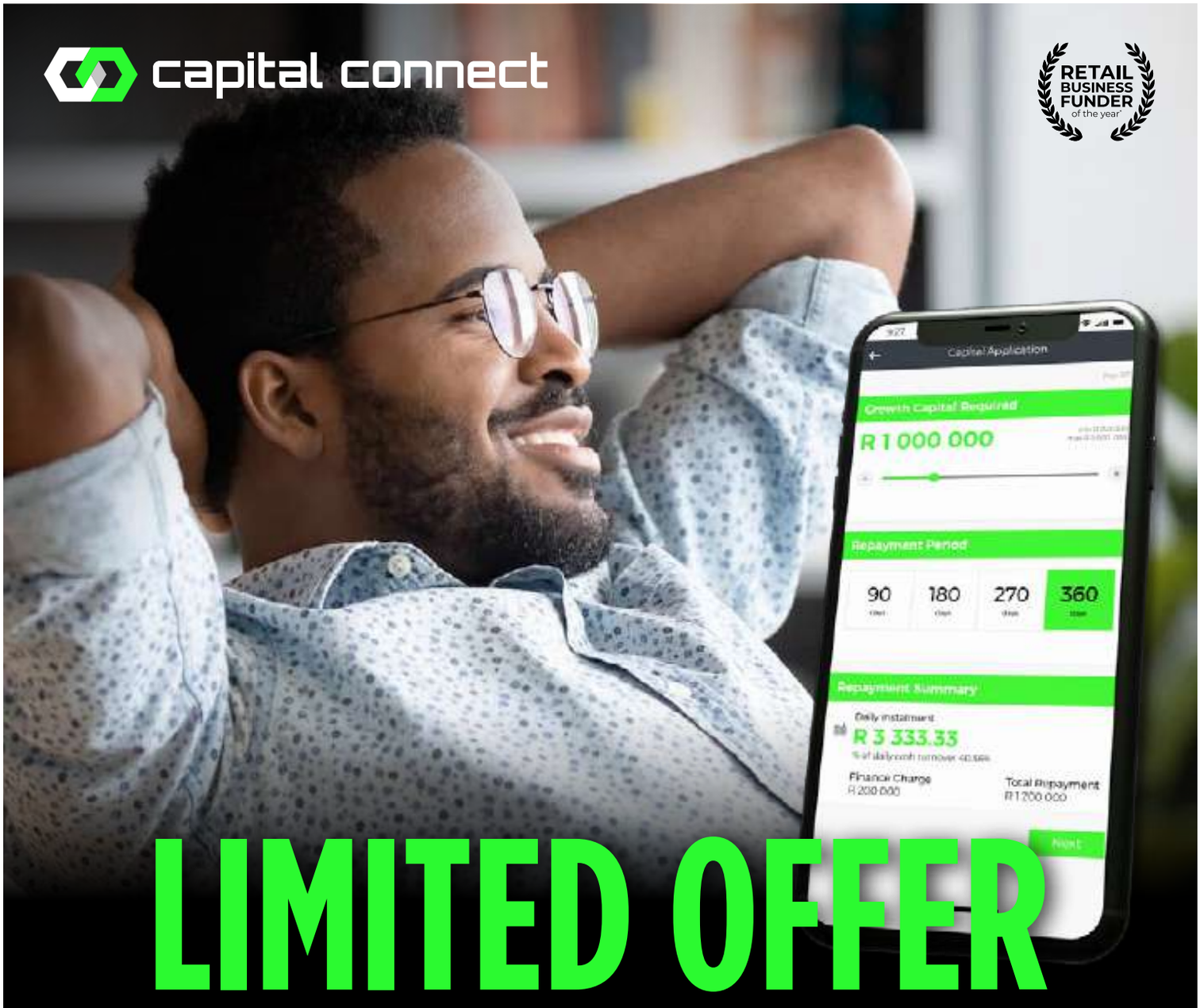
Yvonne Mhango

According to Yvonne Mhango, Bloomberg's Africa economist, "reducing the inflation rate – currently at 5.6% – to the mid-point of the SARB's 3%-6% target is taking longer than anticipated."

Mhango doesn't expect lower rates until the second half of 2025 at the earliest, while upward pressure on the economy might see short-term rate increases before the dust settles.

So what does this mean for retailers and wholesalers looking to tighten and optimise their finance and insurance portfolios while striving to grow their businesses?

Let's take a closer look at some of the key finance and insurance trends for retailers and wholesalers as we move through 2024 and into 2025.



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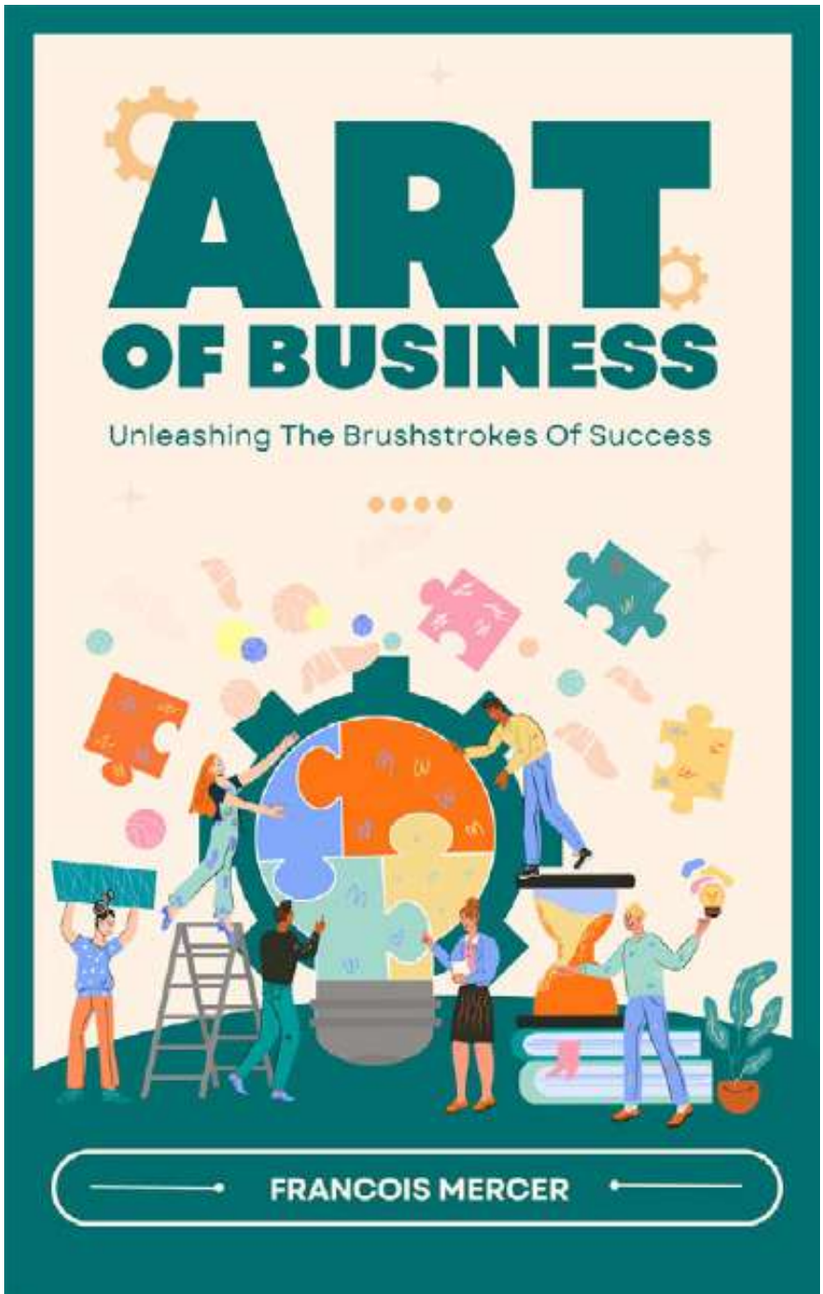


Insurance in an evolving risk landscape

The rise of e-commerce and omnichannel retailing introduces new risk factors. Retailers can mitigate these by adapting their insurance policies to cover aspects such as cybersecurity threats, product liability issues related to online sales, and delivery-

Illustration by Elvire Studio, www.canva.com

related damages.

Manage rising costs & economic uncertainty.

South Africa's economic climate presents challenges for retailers. Rising fuel prices, inflation, and potential interest rate hikes impact operational costs and consumer spending. Many retailers and wholesalers are focusing on cost optimisation strategies, exploring innovative insurance solutions to mitigate risks, and seeking flexible financing options.

Insurance needs in an evolving risk landscape.

The rise of e-commerce and omnichannel retailing introduces new risk factors. Retailers can mitigate these by adapting their insurance policies to cover aspects such as cybersecurity threats, product liability issues related to online sales, and delivery-related damages.

Fintech and data-driven finance.

Retailers and wholesalers are leveraging financial technology (fintech) to streamline financial processes, manage cash flow effectively, and access alternative funding solutions. Additionally, data analytics are being used to gain insight into customer behaviour, optimise inventory management, and tailor insurance offerings.

Sumay Dippenaar, General Manager Marketing for the Connect Group of companies

Sumay Dippenaar

and Capital Connect, says many merchants find that traditional lenders are reluctant to approve loans for business growth that their underwriting processes take so long that the opportunity is often gone by the time a business loan is approved. She says ...

> “Fintech lenders are addressing this gap by offering fast access to capital, within 24 hours, so that retailers do not miss out on golden opportunities.”

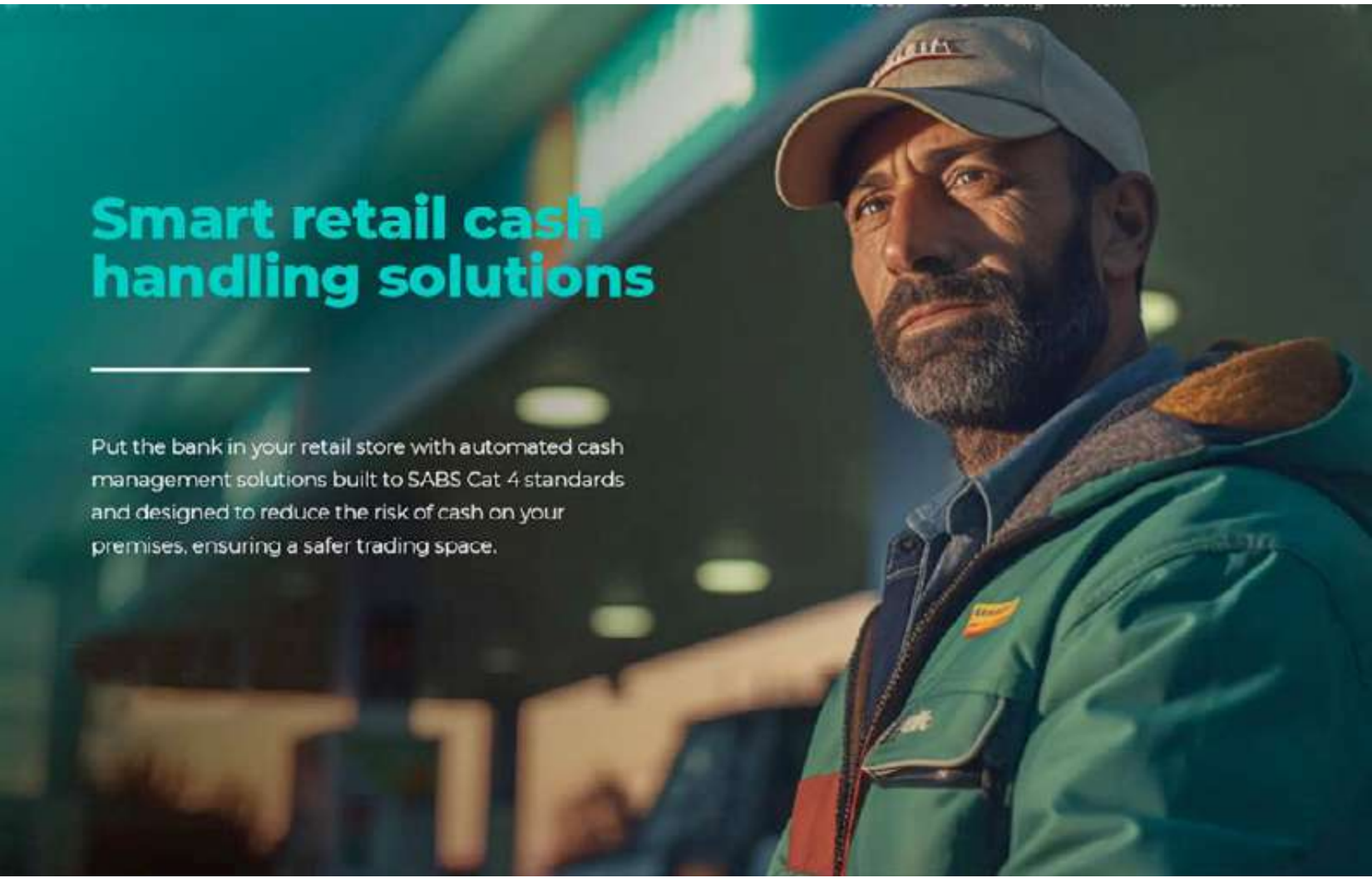
Embrace embedded insurance. Traditionally sold separately, insurance is being seamlessly integrated into the retail experience, such as buying phone insurance at checkout along with your new smartphone.

This ‘embedded insurance’ trend offers convenience for customers and potential revenue streams for stores. In a recent example, Tiger Wheel & Tyre partnered with Hollard to introduce X-Sure tyre and wheel insurance.

Prioritise sustainability. Consumers are increasingly environmentally conscious and retailers and wholesalers are responding both proactively and reactively by adopting sustainable practices throughout their supply chains. This can impact insurance needs. For example, the use of

certain recycled materials in packaging might necessitate coverage for potential issues caused by these materials during transport.

https://connected.co.za/capital-connect



Navigating the financing rapids

The South African business financing landscape can seem complex, especially when it comes to significant investments such as equipment, real estate, and overall business expansion.

Having a clear understanding of your financing requirements is a good starting point for any retailer. There are several resources available online, such as Old Mutual's retail finance portal, to make sense of your different options. For instance, consider the specific equipment or real estate you need, the desired timeline for acquisition, and the potential impact on your cash flow. A thorough financial health check that includes analysing your store's current debt levels, profitability, and credit-worthiness is crucial. This will influence the type of financing you can qualify for and the terms offered by lenders.

South African retailers have a variety of financing options available. Capital Connect's Dippenaar says established retailers require a one-stop-shop and want to partner with service providers that can help them with broader financial needs, including cash management, card acceptance and value-added products, and services to boost their bottom line.

Retailers are looking for loans that are substantial enough to make a real difference in terms of business growth. Many lenders provide smaller business loans of between R15 000 and R100 000, and retailers may need more funding to achieve their goals. She says ...

> "Gone are the days of one-size-fits-all. Retailers need choice and they need to be able to choose their short-term loan terms and value to suit their pocket."

"Cash flow is king and in many retail verticals the profit margins are thin. Retailers must be able to repay the opportunity capital in small daily instalments instead of large monthly debit orders, to maintain positive cash flow."

Retailers and wholesalers can also explore leasing options for equipment, which can free up working capital but could come with ownership limitations at the end of the lease term. For example, alternative lenders may offer specialised financing solutions for specific equipment or business needs, often with faster turnaround times but potentially higher interest rates.

Smaller independent stores and informal traders could also consider government initiatives aimed at supporting small and medium businesses, which could offer subsidised loan programmes or loan guarantees.

Beyond interest rates, there are other factors to weigh up. For instance, some lenders might offer flexible repayment options or lines of credit that provide access to additional funds as needed. Find out if the lender requires collateral, which could be existing property or assets. The lender's reputation and customer service should also be considered, ensuring they provide timely support throughout the financing process.

In all cases, always seek professional guidance. Consulting a qualified financial advisor or commercial broker can be invaluable. They can help you navigate the financing landscape, identify the most suitable options for your needs, and negotiate favourable terms with lenders. Their expertise can save you time and money and ensure that you secure the best possible financing solution to fuel your business growth.

Want to improve your efficiency and profitability?

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In-store stock & margin control

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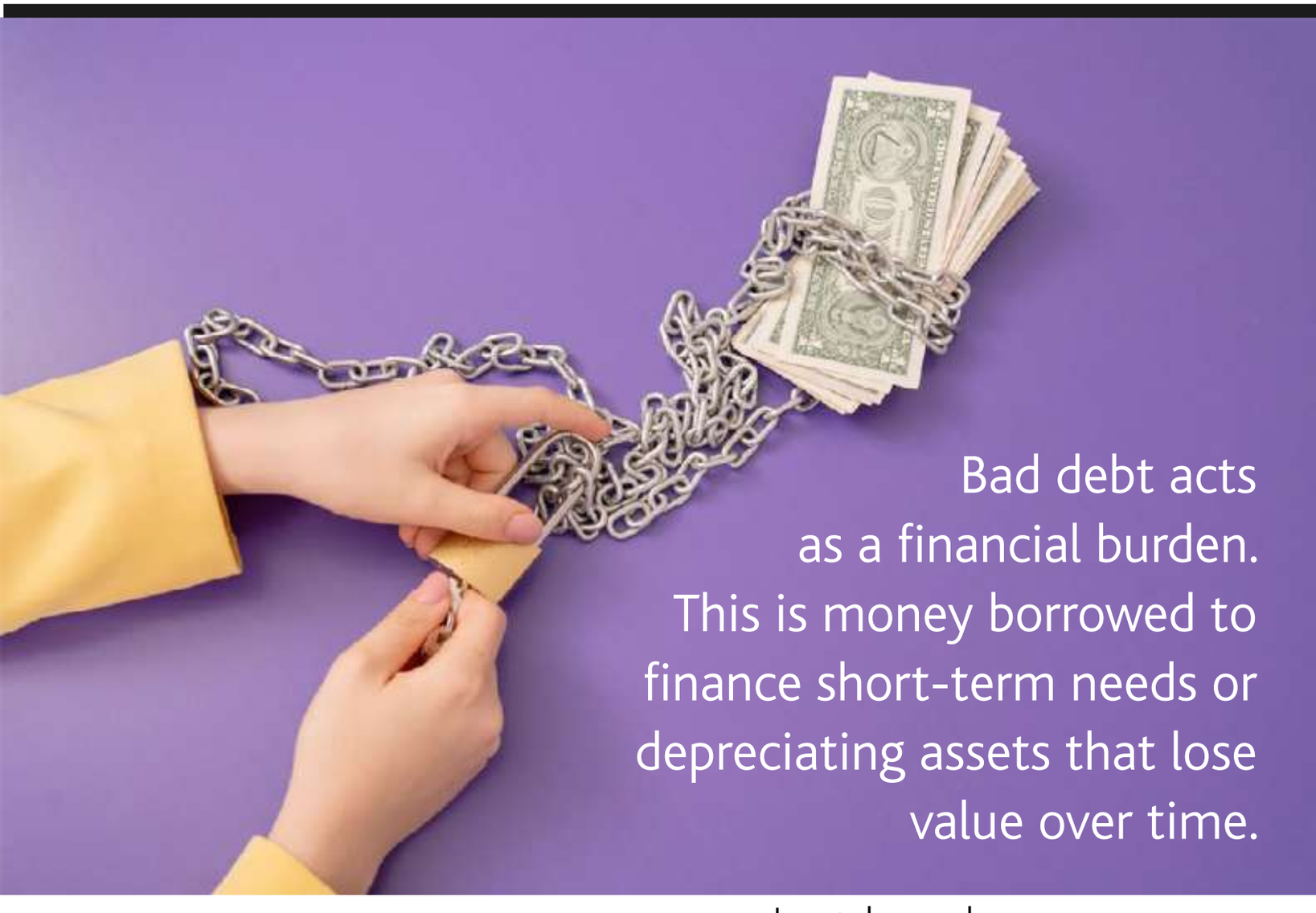

Image by corelens, www.canva.com

Debt – the good, the bad and the ugly

In the retail and wholesale world, debt can be a double-edged sword. Understanding the difference between 'good debt' and 'bad debt' is crucial when considering your finance options.

Good debt is like an investment in your business's future. It helps you acquire assets that generate income or appreciate in value over time. This could include a loan to purchase a new store location, a warehouse to expand storage capacity, or even financing for energy-efficient equipment that reduces operational costs in the long run. These investments contribute to your bottom line, strengthen your competitive edge, and ultimately help you build wealth.

On the other hand, bad debt acts as a financial burden. This is money borrowed to finance short-term needs or depreciating assets that lose value over time. For example, credit card debt used to cover daily operational costs or impulse purchases of non-essential equipment adds a layer of interest payments without any long-term benefit.

Similarly, a loan to buy a fleet of delivery vehicles might seem necessary, but unless the repayment plan is carefully considered, the ongoing loan repayments coupled with the depreciating value of the vehicles can strain your cash flow.

As we get deeper into the financial year, there are examples of South African retailers cutting their debt burdens. Earlier this year, the Spar Group announced that it was exiting some foreign markets to better control its fiscal policies and reduce debt.

Spar CEO Angelo Swartz was quoted as saying ...

> "What we should be doing as all corporates, and Spar hasn't been great at this in the past, is looking at our capital-allocation policy and making sure that it is well thought through, particularly when you are funding expansion."

What other debt traps should South African retailers and wholesalers be wary of?

- **High-interest short-term loans:** these lenders often target businesses in need of quick cash, but the exorbitant interest rates can quickly spiral your debt out of control.
- **Maxing out credit cards:** while credit cards offer convenience for unforeseen expenses, consistently relying on them for everyday operations can lead to a cycle of debt.
- **Unbalanced inventory financing:** financing large amounts of inventory can be risky, especially for seasonal goods or those with unpredictable demand.

Getting stuck with unsold inventory translates into wasted storage space and ongoing loan repayments for stock that isn't generating income.

By prioritising good debt that fuels growth and avoiding the allure of bad debt that weighs you down, retailers and wholesalers can make informed financial decisions and navigate a path towards long-term success. Responsible debt management is key to building a resilient and thriving store.

Visual by kavitaws, www.canva.com

Use debt to your advantage

This is a good time to investigate debt consolidation as well as more innovative and flexible fintech options that enable retail and wholesale businesses to pay back loans with less impact on cash flow. Some examples of wise use of debt include:

- Managing cash flow better to ensure a consistent supply of inventory.

- Using credit to procure inventory in bulk, take advantage of discounts, and negotiate favourable terms with suppliers. This allows stores to maintain optimal stock levels, offer a wide range of products and respond rapidly to customer demands.
- Expanding retail operations. Retailers and wholesalers can use debt capital to open new stores, renovate existing ones, purchase warehouse space or invest in marketing and promotions.
- Adapt to consumer trends – whether by implementing new technologies such as point of sale systems or e-commerce capabilities, upgrading store layouts, purchasing delivery vehicles, or diversifying product offerings.
- By having quick access to credit, retail and wholesale stores can pay suppliers promptly and negotiate better terms, such as extended payment periods or bulk purchase discounts. The benefits include better pricing, and increased flexibility in managing inventory levels.

Source: Sumay Dippenaar, General Manager Marketing for the Connect Group of companies and Capital Connect

BETTER TRACTION. SAFER REACTION!

Insurance to protect your business*

Having a viable finance strategy and line of credit in place is just one side of the coin when it comes to navigating strategic retail and wholesale growth. The other side is making sure your business – and staff – are adequately protected in times of need.

When it comes to insurance, retailers and wholesalers should consider a comprehensive approach, focusing on a combination of short-term specific coverages such as vehicle and potentially third-party, alongside income protection for key personnel.

Here's a breakdown of the priorities ...

Short-term insurance: This is crucial for protecting physical assets and mitigating financial losses from unforeseen events – consider coverage for buildings, inventory, and equipment against fire, theft, and other perils.

- Business interruption insurance further protects against loss of income due to a covered event that disrupts operations, while product liability covers legal costs and damages if a product causes a customer injury or property damage.
- Cyber insurance protects against financial losses due to data breaches, cyber-attacks, and business interruption caused by cyber incidents. Retailers and wholesalers with e-commerce offerings should especially prioritise this.

Vehicle insurance: if you're a retailer or wholesaler that relies heavily on a delivery fleet, comprehensive vehicle insurance is essential.
Third-party insurance: while not mandatory in South Africa, third-party insurance can be a cost-effective way to ensure coverage for any injuries or property damage caused to others by a company vehicle.

Income protection: Income protection insurance ensures that a portion of an employee's salary is covered if they become disabled or unable to work due to illness or injury.

*Always consult a qualified insurance broker who can help tailor a comprehensive insurance plan that provides optimal coverage at a competitive price.

Insurance for your staff

Retailers and wholesalers can create a win-win situation by offering competitive insurance programmes that address their employees' needs. This can include health, dental, vision, and life insurance, as well as coverage for accidents and disabilities. Providing a variety of plans with different premiums and deductibles allows staff to choose the option that best suits their budget and family situation.

Beyond the financial benefit, offering a robust insurance programme demonstrates that the store or retail/wholesale group cares about its employees' well-being. This can lead to higher employee satisfaction, engagement, and productivity.

When employees feel secure knowing their health and finances are protected, they are more likely to be invested in their work and stay with the company for the long term. Competitive insurance programmes can also be a significant advantage when attracting and retaining top talent and skills in a competitive job market.

In addition to traditional insurance, some retailers and wholesalers are going a step further by providing access to wellness programmes and resources. This can help employees stay healthy and reduce healthcare costs, further demonstrating the company's commitment to its employees' well-being. By offering a comprehensive insurance programme, employers can create a more loyal and productive workforce.

Visual by kavitaws, www.canva.com

Strategic finance and insurance planning for sustainable growth

South African retailers and wholesalers have a growing arsenal of financial tools at their disposal. By strategically using debt, exploring innovative financing options, and implementing a comprehensive insurance plan, retailers and wholesalers can navigate uncertainty and position themselves for sustainable growth. With careful planning and a proactive approach, retailers and wholesalers can weather any financial or insurance storm and thrive in the years to come. **SR**

Visual by Mighyandi, www.canva.com

Guy Lerner, writer and photographer, writes across diverse topics in business, technology, and retail, including consumer technology, telecommunications software, user experience technology, security, and power systems. He has worked with multinational companies in South Africa and Australia and is currently based in Cape Town. Guy holds a B.Sc. Honours degree from the University of Witwatersrand). Contact Wilkins Ross Communications (www.wilkinsrossglobal.com) or guy@wilkinsross.co.za.

Unlocking growth ... Why integrated payments are the future for businesses of all sizes

In the fast-paced world of commerce, staying ahead means leveraging technology for optimal efficiency. Businesses are constantly searching for ways to streamline operations, enhance customer experiences, and ultimately boost sales. One such technology that has transformed the payment landscape is Point of Sale (POS) integrated payments.

Although a well-established technology, the benefits it offers are extensive, especially when it comes to unlocking value-added features for businesses. adumo provides a comprehensive suite of integrated services that go beyond the traditional, offering a seamless and enriched payment experience.

A Game-Changer for Businesses of all Sizes

An integrated payment solution seamlessly connects the card payment device (PED) directly to the POS system for efficient transaction processing. This integrated process eliminates the need for manual intervention, resulting in a faster, more accurate checkout experience with no reconciliation required between POS and payment device.

For example: When tender type 'card' is selected on the POS, it automatically sends the payment details to the connected payment device. The device then displays the amount, processes the transaction and, upon completion, automatically communicates back to the POS. This seamless integration finalises the sale and prompts the POS to print the transaction slip.

The benefits are numerous ...

- **Efficient transaction processing:** Allows for fast and accurate transaction processing, reducing checkout times and improving overall customer satisfaction.
- **Diverse payment options:** Supports multiple payment options, catering to the preferences of a wide range of customers, utilising existing payment hardware.

- **Tighter financial controls:** Automated payment processing eliminates errors associated with manual entry and reduces refund fraud risk.
- **Automated reconciliation:** Effortless and accurate transaction reconciliation and reporting enables you to easily balance sales reported by your POS with your bank settlement and gain greater visibility into your finances.

Bridging the Gap for Growth

However, integrated payments are not just for the large players, as smaller businesses stand to benefit, too. Such solutions can level the playing field, empowering small businesses to compete more effectively.

By consolidating payment systems, they can reduce costs and mitigate risks associated with errors and fraud. In addition, integrated systems enable small businesses to offer diverse payment options and streamline the payment process, allowing them to remain relevant and concentrate on their growth.

Elevate Your Payment Experience with adumo

In the dynamic world of payments, integrated solutions are not just necessary but a strategic advantage for businesses of all sizes. adumo caters to a broad spectrum of industries, and as an official reseller of PAX Android-powered payment devices, delivers a comprehensive suite of integrated payment services supporting all merchant needs. These range from queue busting to self-service kiosks.

With an impressive client list including Sportsman's Warehouse, Cape Union Mart, Builders Warehouse, Queenspark, OK Foods, and more, adumo provides tailored solutions that empower businesses to thrive in a fiercely competitive market. Embrace the future of payments with adumo, where innovation meets efficiency, unlocking your true potential for growth.

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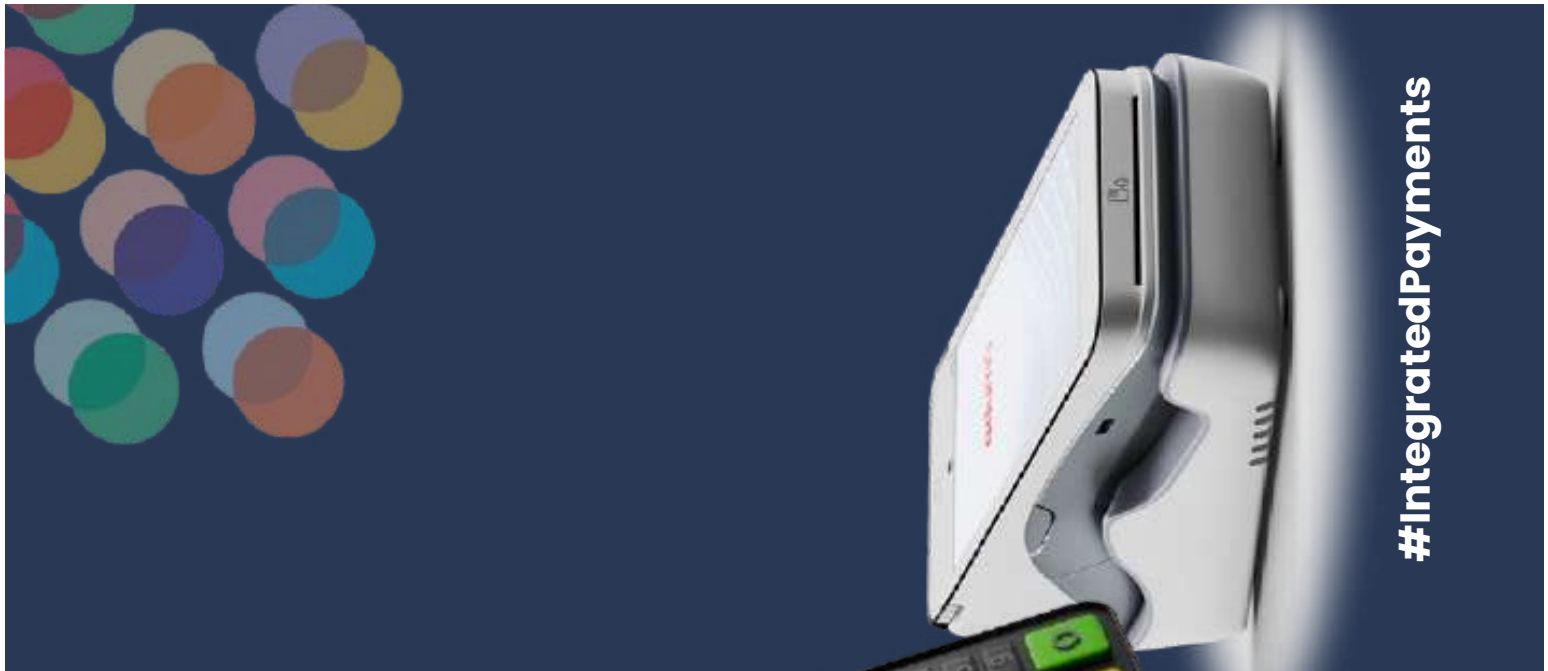

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NIQ GfK South African retailers have arrived at an e-commerce crossroads

> “e-Commerce strategies in the Middle East have introduced 55 new brands to the market.”

By Zak Haeri
MD for NIQ & GfK in South Africa

South Africa's e-commerce landscape has arrived at an important juncture. The explosive growth observed during the pandemic years has slowed down somewhat and consumer spending power has faltered amid low economic growth and a global cost of living crisis. At the same time, competition is heating up.

Asian retailers such as Shein and Temu are upending segments of the e-commerce market, rapidly grabbing market share and increasing pricing pressure on traditional retailers. Amazon's much anticipated entrance into the South African market is expected to further turn up the heat – potentially creating a new benchmark for customer experience.

Yet if we look at the experiences of other emerging markets, the disruption may only just be beginning. Barriers to entry for new players in the e-commerce channel are relatively low, creating space for more competition. It would be unsurprising, for example, for brands in segments like tech, durables and clothing to go direct to the consumer with e-commerce.

This is akin to developments in the Middle East, where e-commerce strategies have introduced 55 new brands to the market. Amid all these developments, opportunities beckon. With the current economic climate and shrinking consumer wallets, the landscape is ripe for innovation and competition.

Consumers are becoming increasingly proactive and creative in their strategies to reduce costs – creating opportunities for innovative brands and retailers to expand their market share. Those that can offer convenience, competitive pricing, a wider range of products, and a personalised experience are likely to lead the charge in this rapidly evolving market.

Visual courtesy of www.temu.com/

Here are some of the key developments and trends to watch ...

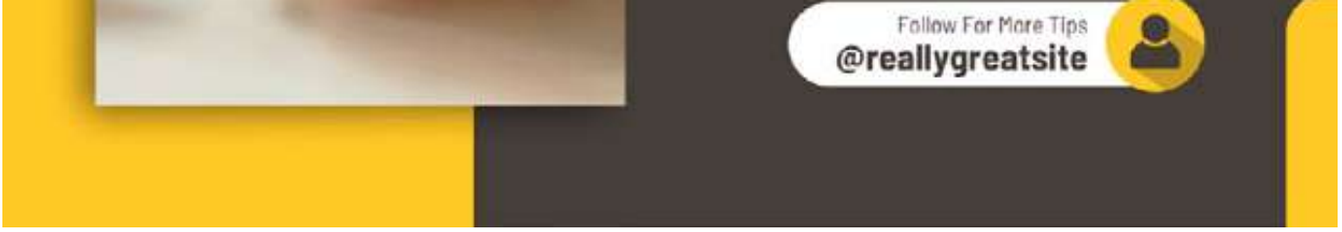
Omnichannel journeys on the rise

Our global research shows that 79% of consumer tech retail executives expect omnichannel strategies to continue to dominate. The same applies in South Africa, where a coherent omnichannel strategy is becoming a critical success factor for retailers.

It's not enough to offer customers choices such as online shopping and home delivery, and buy online and pick-up in-store. Brands need to accommodate complex customer journeys where consumers may switch through different channels during discovery, research and purchase.

We find that many people do their research online and then buy in-store, or alternatively research in-store and then buy online – depending on price and value. Our research shows that 35% of South African shoppers agree that they use their phone in-store to help make purchasing decisions. Supporting customer choice can help retailers to maximise opportunities to acquire and retain customers.

Retailers with a real-world footprint can get an advantage by making it easy for customers to switch between touchpoints. It's now key to consider how to leverage formats like pop-up stores as well as platforms like Mr D and Uber Eats, and marketplaces such as Takealot and Amazon to expand reach.



Visual by Carleigh Emelie, www.canva.com

Saving strategies at the forefront

In the current economic climate, price sensitivity is one of the key factors shaping how consumers shop. Behaviours such as bulk buying when products are on sale and reducing trips to the shops to save petrol money are becoming more common. Consumers are on the lookout for promotions and discounts both online and offline.

Around 60% of South African consumers say they shop around different stores and online platforms to get the best balance of prices, deals and options, while nearly a third use digital technologies such as mobile apps to find better deals. Around 31% are shopping online to get better deals and save transport money. Cross-platform presence and thoughtful promotions are key to winning market share in this environment.

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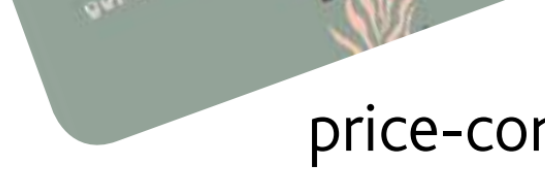
Long-term advantage with loyalty cards

With competition heating



up and consumers becoming more price-conscious, retailers are looking to loyalty cards and reward programmes to improve customer retention and increase basket sizes. Some 59% of South African consumers shop with loyalty points to help manage spend.

For retailers, loyalty programme data is a goldmine of customer insight. Not only can it help them understand overall spending trends, but it can help them improve conversions and retention through personalisation. Artificial intelligence and machine learning are unlocking even more powerful insights for personalised marketing.

Personalised promotion strategies are more accessible thanks to online leaflets and digital loyalty schemes. They resonate well with households that are struggling to make ends meet or with buyers that need to support larger families. We're also seeing many innovations in loyalty – for example, towards the end of last year, Shoprite launched a monthly subscription based loyalty programme offering unlimited Checkers Sixty60 deliveries.

Concept by DAPA Images, www.canva.com

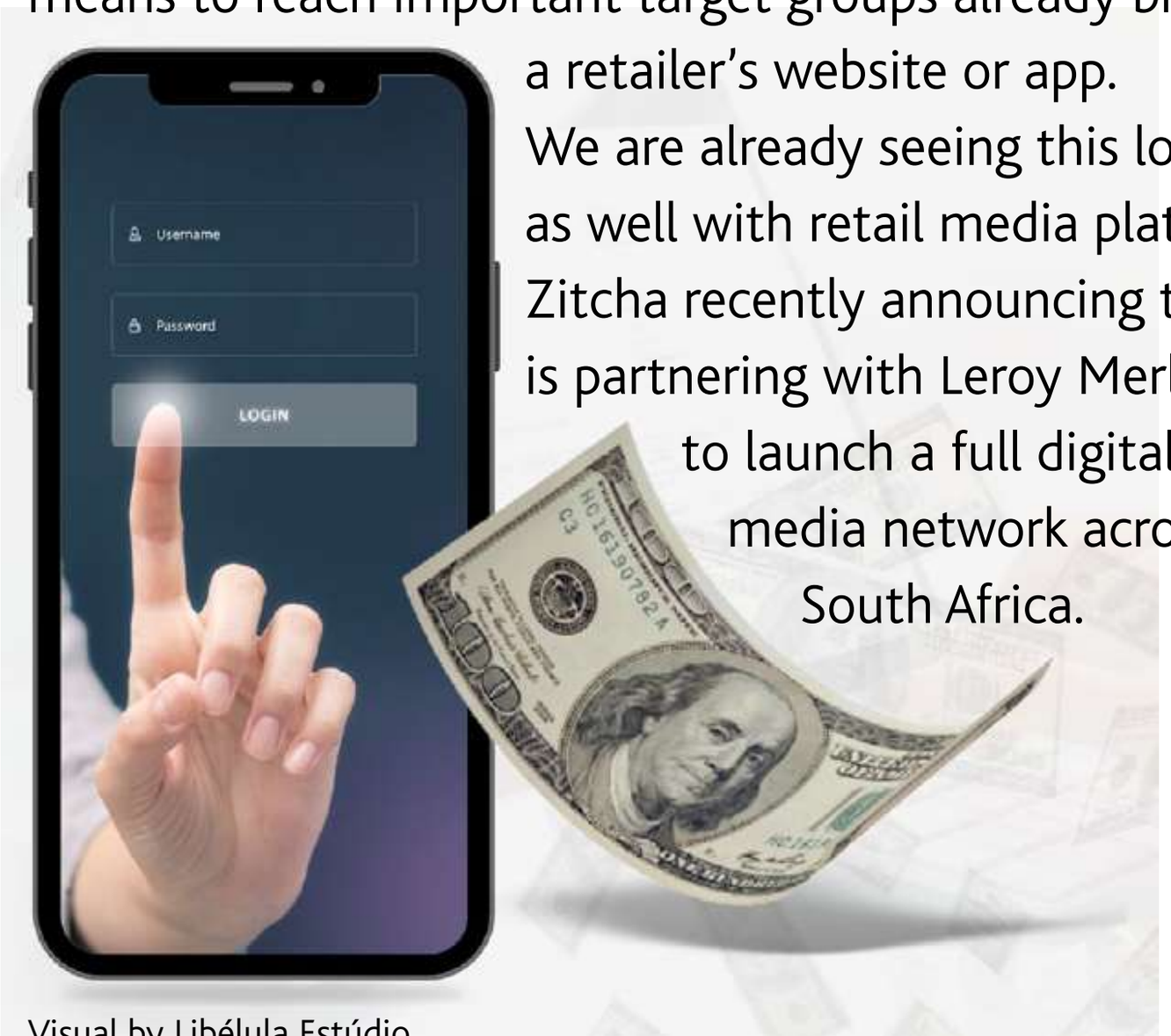
> “Many people research online and then buy in-store, or alternatively research in-store and then buy online – depending on price and value. 35% of South African shoppers use their phone in-store to help make purchasing decisions.”

Finding new revenue streams

Retailers and consumer brands know that amid tough economic conditions, innovation must also include the generation of new revenue streams. This might take the form of targeting new markets – as we see with Shoprite’s OK Urban brand, an innovative cashless concept store that includes an artisanal bakery and coffee shop, or Makro’s exclusive B2B online store for businesses of all sizes.

Globally, retailers have their eye on retail media networks (RMNs), a digital equivalent to in-store ads. These allow them to sell advertising space on their web-sites and apps to brands. For brands, RMNs offer a new means to reach important target groups already browsing a retailer's website or app.

We are already seeing this locally as well with retail media platform Zitcha recently announcing that it is partnering with Leroy Merlin to launch a full digital retail media network across South Africa.



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Another trend sees stores rent out physical space to brands. This space could be used for smart displays, kiosks, and enhanced retail experiences. As these examples show, retailers are thinking about innovative ways to maximise the value of their omnichannel presence at a time when competition is growing and consumer spend is under pressure.

Logistics excellence is essential

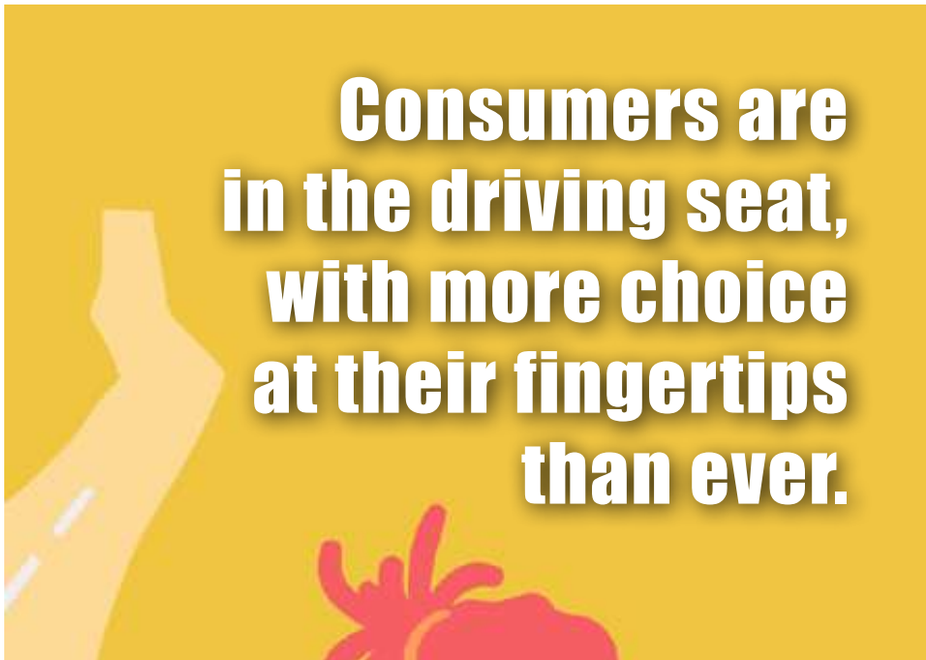
Retailers will have a strong focus on operational excellence in the coming two to three years. Innovative approaches will be critical here in meeting the high expectations of consumers, particularly amid tough economic conditions. One of the vital elements is how quickly consumers can get hold of the products they want.

Our Consumer Intelligence shows that people worldwide are now, in general, more concerned about delivery times and product availability than before the pandemic. South African consumers will increasingly expect to receive the products when they want, with same or next-day delivery, or a specified time slot.

We're already seeing retailers like Takealot trial one-hour delivery for tech and other goods – an expectation that is already set for last-mile delivery of groceries. Maintaining a high and consistent level of service delivery is challenging in an environment of load shedding and vast distances – but it is a basic ticket to play.

Conclusion: Consumers in the driving seat

South African retailers are at an e-commerce crossroads, where the demands placed upon



them are varied and significant. Their customers expect more engaging and personalised experiences, faster delivery, and lower prices in a tough and unforgiving competitive and macroeconomic landscape.

Visual by KaleidoGraphix, canva.com

Consumers are in the driving seat, with more choice at their fingertips than ever. For retailers, establishing a competitive edge begins with a clear understanding of the changes. They can then invest confidently and correctly in data, logistics, technology and partnership strategies that help them meet their customers' needs. **SR**

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Insulated Structures

Efficiency At Work

Cold & Freezer Rooms

Polyurethane Injected Panels

- Standard panels: Outer and inner skin of frost white Chromodek, also available in black finish.
- Polyurethane injected panels for superior insulation & adhesion.
- High-impact PVC interlock profiles on all edges provides totally sealed insulation and a perfect vapour barrier.
- Tongue and Groove panel options available.
- Optional skin finish in Stainless Steel – Grades AISI 304 AIS 403.
- Easily erected.

Floors – Fabricated and Concrete

Fabricated Floors

- The inside floor finish is 1.5mm Aluminium tread plate glued and screwed to a marine ply base.
- Galvanised plate options available in lieu of the Aluminium Chequer Plate finish.

Concrete Floor

- Concrete floors are used for flush or step-up entry and in permanent structures. Usually a recess of 150–170mm is used to accommodate the foam slab insulation and the concrete screed.

Aluminium Chequer Plate

- Installed as an option to protect panels from scratches and light impact damage.
- 1.5mm and 2.0mm thick options.
- Standard height 1 250mm AFFL.

Meat Rails

- Hot Dipped Galvanised system.
- Support structure integrated into insulated panels.
- Optional free-standing continuous galvanised system with bends and switch gear.

Up to 40%
Energy Saving

New or Retrofit
Existing cases

Environment
Respect

Premium Airshield Glass Doors. Frameless Door with Argon Gas filled for better insulation.

Airshield Glass Doors

Benefits

- Reduce Energy consumption.
- Extend Product shelf life.
- Double Glazed Argon filled void for better insulation.
- Optimal Product temperature.
- Glass doors have an option of Mullion lights. Quoted separate.
- Handles included.
- Up to 40% energy saving.

- Solution for new cabinets or retrofitted on existing cabinets.
- Doors are spring loaded.
- Less cold air spillage – warmer aisles.

Standard Airshield Glass Doors with a Black Frame. Heated Hybrid also available in this design. Heated Hybrid Glass Doors are fitted with a heater to reduce condensation on the doors in Coastal areas. Heated Hybrid is fitted with soft closers.

Ways to save

With energy cost rising and food retailers looking to improve the shopping experience environment for customers, Insulated Structures has developed an effective solution to reduce the cost of in-store refrigeration while enhancing the customer experience.

Insulated Structures doors are easy to retrofit on in-store cabinets to reduce the energy required to keep chilled foods at the correct temperature.

Meanwhile, customers are able to clearly see and access the products on offer. Reduced energy requirements means smaller refrigeration plant selection for new stores. These savings will off-set the initial cost of the doors. Up to 40% reduction in refrigeration requirement has been achieved.

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Efficiency At Work

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