

# How do you get out of a crisis?

## In Europe, here's what Sainsbury's thinks!

The exit from the pandemic coincided with the entry into an equally turbulent epoch, characterised by new blows to the international balance. We will try to get out of it, as always, with resilience.

The new road has been taken: the energy supply systems are gradually readjusting, the increase in interest rates, decided by the European Central Bank, has the purpose of quelling the growth in the general level of prices by means of the contraction of the money supply in circulation (even at the risk of pulverising the understandable aspirations of those who would like to buy a house), large-scale trade is trying to filter (sometimes in a real way, often with the usual advertising) the inexorable rain of price increases on final consumers (not failing to call into question the responsibility of certain suppliers).

Internationally, heartfelt calls for peace and mediation between the parties to the conflict in Eastern Europe are being disseminated.

In the meantime, numbers, statistics, claims of 'fixed prices', solemn points of view and forecasts of all sorts are flocking to the distribution business community.

The English retailer demonstrates how the virtuous management of the food core business, the obsessive containment of prices, the courageous gratification of employees and the fight against all waste are the determining factors to emerge from a complex phase, steeped in inflation and uncertainty.

The exterior of the Sainsbury's Local store located in Sheffield. Sainsbury's Local stores are open to the public for 16 hours, every day (7.00am to 11.00pm).



Below and Below left: Supermarket giant Sainsbury's celebrated the opening of its first new store of the year in Harrogate ... offering fresh fruit and vegetables together with bread and cakes baked every day, a citrus squeezer and an enviable assortment of takeaway foods including sandwiches, salads and hot foods.

Centre: Simon Roberts, Chief Executive Officer of Sainsbury's.



The cost of money and debt are now higher, government bonds have better yields and electrify the propensity to save, consumption reacts by becoming alarmed: this is confirmed (at least in Europe) by the lower average sales per transaction, accompanied by higher purchase frequencies than at first.





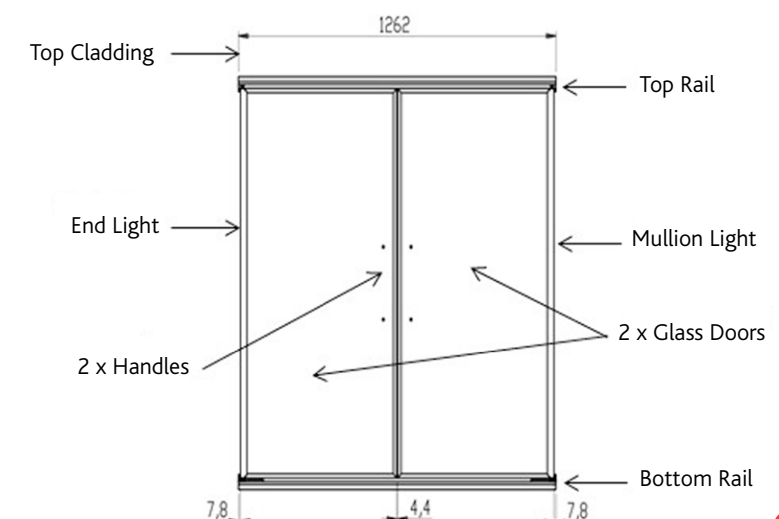
## Close The Case

Designed as a retrofit solution for existing Supermarket display cases, the Glacier Air Shield Glass Doors offer up to a 40% energy saving in an ever-increasing energy cost environment as well as improved cabinet temperatures and product benefits.



## Features and Benefits

- Reduced energy consumption.
- Extended product shelf life.
- Double glazed Argon Gas filled void for superior insulation.
- Optimal product temperatures.
- Spring loaded glass doors.
- Solutions for new cabinets or retrofitted on existing cabinets.
- Less cold air spillage – warmer aisles.
- Optional Mullion LED lights and door hold-open brackets.
- Heated option on our Standard Airshield Doors to suit coastal conditions.
- Integrated (full length) handle option.





## Infinity / Infinity Integrate Glass Doors

The new Infinity Glass Door is designed with edge-to-edge glass and screen print border. This door offers increased visibility and a more modernised look and feel. Glacier has also launched their new Integrated Glass Door which incorporates a full length profiled handle.

### Low Temp Eco Leaf (Energy Saving) Doors Aluminium Frames:

- Heated Door and Architrave
- Natural 15 micron anodized or black textured powder coating (Coating to SABS standards).

#### Glass

- Safety toughened 4mm glass inside and outside standard on all doors. (Toughened to SABS standards).
- All Glass Doors are Argon Gas filled for superior insulation.
- Low temperature doors are fitted with a heated front glass and a clear rear glass, both safety toughened.

### Normal Temp Doors Aluminium Frames:

- Door and heated Architrave
- Natural 15 micron anodized or black textured powder coating (Coating to SABS standards)
- There is a thermal break on the inside of the door frame.
- All architraves are fitted with anti-sweat heaters.

#### Glass

- Safety toughened 4mm glass inside and outside standard on all doors. (Toughened to SABS standards)
- All Glass Doors are Argon Gas filled for superior insulation.
- Normal temperature doors are fitted with Low emission front glass and a clear rear glass, both safety toughened.

#### Lights (LED)

Energy Saving LED 22W, 6000K, LED Light fitted on the inside of the architrave in a closed polycarbonate light diffuser.



#### Lights (LED)

Energy Saving LED 22W, 6000K, LED Light fitted on the inside of the architrave in a closed polycarbonate light diffuser.



Consumers go to the supermarkets more often, but they spend less: prices are frightening and uncertainty flares up.

## Inflation reawakened

The voracious monster of inflation has reawakened or, perhaps, we have taken the trouble to go and reawaken it.

Simon Roberts, CEO of the English supermarket chain Sainsbury's (founded in 1869), recently commented on the actions of the leading brand in this particular historical phase (second, by market share, in the United Kingdom with 15.2%, after Tesco which owns 27.3% and ahead of Asda which boasts 14.3%).

The top manager was keen to praise certain courageous corporate responses to stem the impact of these tumultuous times. His voice deserves attention, if only because, on balance, Sainsbury's, Tesco and Asda hold (together) well over half of the UK distribution market (almost 57%).

Roberts, in office since June 2020, was transparent in the statements released within the 'Preliminary Results for the 52 weeks ended 4 March 2023 – Delivering greater value for customers, colleagues, communities and shareholders'.

"We truly understand how tough life is for so many families right now which is why we are absolutely determined to fight inflation for our customers. Our focus on value has never been greater as we have spent over £560m to keep prices low for the past couple of years. As a result, we now represent better value than our competitors.



Perspective of the assisted fishmonger, butcher and deli counters in Sainsbury's.

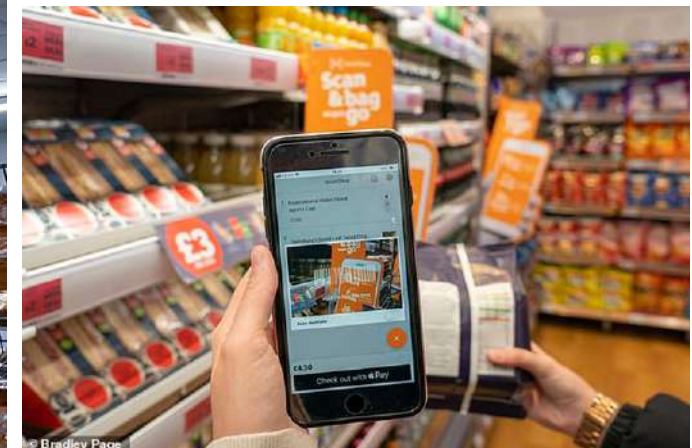


A 'Bakery area', with self-service bagged bread. The display is located near a small section of confectionery in the window.

"It's been two years since our plan to put food back at the heart of Sainsbury's – we've focused our efforts on cost reduction across the business, which has enabled us to make the right decisions for colleagues and customers. Colleagues are the ones who do a fantastic job serving customers,



Linear display of milk and fruit juices, displayed on 'Aerofil' equipment. Sainsbury's stores are now equipped with this pioneering technology, which allows a 15% reduction in energy from its refrigerators: a sophisticated technical device in fact prevents cold air from leaving the counter, directing it back into the refrigerator.



In modern distribution, the most compelling challenges are fought for efficiency, obtaining the right contribution from digital applications: even Sainsbury's relies on 'self scanning' operated via customers' smartphones.

they do it every day – we know they too are facing the impact of rising cost of living. That's why, over the past 12 months, we've made the decision to invest £225million to support them, including triple pay increases, become the first major supermarket to pay employees a living wage, provide free food in the workplace and greater discounts just for



them. The results we have achieved this year are testament to the outstanding contribution of our team: I want to thank them all, for their dedication and hard work!

“We will also continue to work closely with our suppliers and farmers, to whom I am grateful for their support after what has been a difficult year for all food supply chains, 2022. We know how vital the agricultural industry is not only for Sainsbury's, but also for the whole country: that's why we have chosen to provide £66 million of additional support to British farmers over the last year.

“We have opted for these decisions and investments to make our business stronger but above all because, after all, they are the right things to do right now. There is no doubt that the future will remain challenging, but I am confident that we will continue to deliver good results for our clients and colleagues, our community and our shareholders”.



Sequence of assisted counters of very fresh products, along the perimeter of a large and busy Sainsbury's store.



Wine lane, dramatised according to a purely British scheme, which evokes clarity, practicality and circularity in spite of the warm colours and materials otherwise found in the 'wine cellars' of mediterranean supermarkets and superstores also present in Europe.



Hot Food and Pizza ... even in Sainsbury's, in the United Kingdom, the practicality and typicality of the best-known Italian food have the opportunity to reserve a characteristic sales space in the fresh food areas.





**Insulated Structures**  
*Efficiency At Work*

## Effective solutions to reduce the cost of in-store refrigeration

### Polyurethane Injected Panels

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

## Cold & Freezer Rooms



### 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.



### Meat Rails

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

### 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.







**Insulated Structures**  
Efficiency At Work



Up to 40%  
Energy Saving



New or Retrofit  
Existing cases

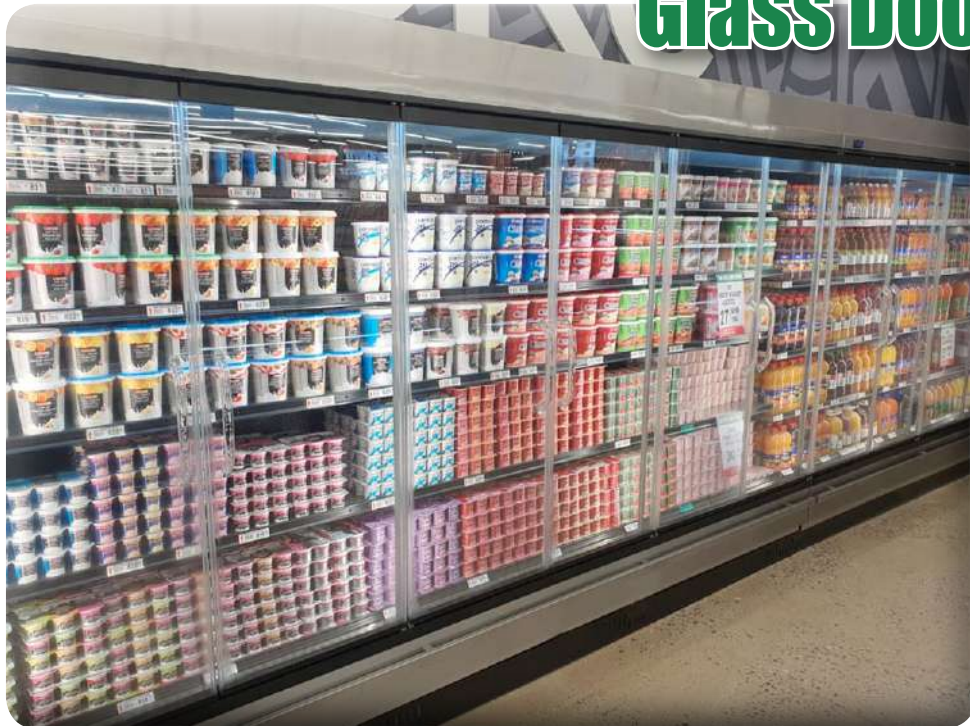


Environment  
Respect

## Benefits of Airshield Glass Doors

- 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.

## Airshield Glass Doors



## 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.



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.

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



GET IN TOUCH WITH US  
+27 (0)11 462 2130



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sales@insulated.co.za



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**Future themes**

Now we are in the middle of 2023, the strategy that Sainsbury's will follow in the near future follows some themes that are as precise as they are salient. Here they are...

**Food First:** Customers want low prices, exciting new products and great service. This is where Sainsbury's time, energy and investment is being concentrated. £560m is a significant expense that has been made to keep prices down over the past two years and, in truth, represents a whopping £10m more than was initially anticipated and announced.

**Nectar Prices (loyalty and digitisation hand in hand):** the Nectar system offers discounts to loyal customers (both in supermarkets and online) based on the 'Your Nectar Prices' programme, which interacts with a digital application. The most active users save almost £200 a year on their purchases. We currently have 11 million digital customers and over 18 million loyal Nectar members. By now, effective loyalty programmes cannot do without fluid structures inspired by the most modern level of digitisation.

**Sainsbury's Taste Difference (private label quality and completeness, for more sales and greater profitability):** this brand, based on numerous products, with a telling name that invites to taste the difference with the items produced by the competitors, has received strong impetus and has

grown both in quantity and quality of the proposals. Even more generally, the profitability of all brands has been significantly improved, generating 145 million pounds and thus more 'fire-power' to be poured into the food 'core business'.



Chicken with red wine, tray of 'Sainsbury's Taste difference' branded product.



Sainsbury's just launched their 50th in-store sushi counter, serving customers freshly prepared, ready-to-eat sushi and teppanyaki with the help of highly trained sushi chefs.



The brand new Fishmonger's Choice range, 'landed' in-store this week. Fresh, seasonal, British fish species like Whiting, Dover Sole and Monkfish, all wild-caught off the South West coast.



Sainsbury's £2 "Taste Me, Don't Waste Me" food waste boxes. Sainsbury's introduced this so you can buy surplus fresh fruit and vegetables at a reduced price.



Sainsbury's Neighbourhood Hub store, created forty new jobs and provides customers in Desborough with a fantastic new place to do a weekly shop.





## The strategic vision

The strategic vision will continue along these lines on the basis of the stimulus given by the good results achieved.

A painstaking job of saving on costs has been done to obtain the necessary resources to invest in reducing prices, efficiency has been implemented everywhere (in the company) to outline those productivity mechanisms capable of making the massive investments allocated in sustainable staff wages. Furthermore, the accounts have not been affected at all (on the contrary, according to Roberts, the ratio between sales and personnel costs has decreased).

Sensitivity to the environment was demonstrated through the reduction of absolute greenhouse gas emissions (-38.2% on an annual basis). No less important was the absolute reduction of plastic packaging for high-volume products, so much so that Sainsbury's can boast the merit of being among the first chains to vacuum-pack all ground beef. This operation has allowed a saving of over 450 tons of plastic per year. Finally, solidarity found visibility in the donation of over 10 million meals thanks to the partnership with the Neighbourly Foundation, which prevented the waste of over 4 500 tons of food.

The English formula for responding to the critical issues brought about by inflation and the consumer crisis implies courage and targeted investments, involves the generous desire to consolidate ties with employees (true forces in the field of every company and first customers) and with



**Harrow-gate store opening**



suppliers (indispensable partners to achieve goals of quality and convenience), expresses the need to cancel the dispersions that generate inefficiencies and slowdowns in the productivity indexes, imposes the redistribution of the savings obtained in costs on the actual cut in sales prices, suggests perfecting the food proposals for daily consumption giving impetus to the store brand, evokes the integration between digitisation and loyalty, finally recalls the importance of being able to transmit coherent ecological messages.

Sainsbury's Plant Pioneers burgers, coupled with vegan brioche buns.







Sainsbury's marked a key milestone as their three millionth tree was planted through their partnership with the Woodland Trust. The tree forms part of a 'Regiment of trees' within the Centenary Woods project to mark those fallen in WWI.



Sainsbury's is working with @woodlandtrust, funding free tree packs for schools and communities across the UK.



70 years ago the first self-service supermarket opened. It was a big change for customers – supposedly some were so angry at the new format they demanded the store manager come with them to place groceries in their baskets! They even had instruction sheets for how to shop in the new format stores. This image is from their first self-service store, which opened on 9 November, 1950 in Croydon.

Sainsbury's colleagues getting their mud on @themajorhq Woodland Warfare. All to raise cash for their partners at the Royal British Legion.



**Hippo Zourides**, serial entrepreneur and corporate leader, has been involved in the food trade for over four decades and consults to corporates, large, medium and small enterprises on a variety of management and restructuring skills, including the latest ESG requirements.



Paralympic Champion Jonnie Peacock and @youthsporttrust unveiling a new Active Kids playground. Phillimore Primary School in Sheffield won the £50 000 playground makeover after they took part in Sainsbury's Active Kids Paralympic Challenge – a programme that encourages young people to participate in inclusive sports.



Sainsbury's just set the wheels in motion on an exciting new trial – the UK's first grocery delivery service by electric cargo bikes! A fleet of five zero-emission bikes set off across South London from the Streatham Common store, delivering up to 100 orders a day.

SR



**Antonello Vilardi**, professional in managing points of sale at numerous commercial signs, editorial collaborator for specialised magazines, consultant and lecturer in university masters. He has written books on large-scale retail trade.





# Want to improve your efficiency and profitability?

Integrated retail management solution

for the edge in retail



## Retail

In-store stock & margin control



## Enterprise

Manage multiple stores centrally



## Mobile

On-the-floor access to operational info



## Accounting

Operational data flow to financial system



## Loyalty

Reward loyalty & obtain customer info



## eStore

Integrated online shopping platform



## eReplenish

Fully automated procure-to-payment



## Value Adds

Convenience and efficiency at POS



## Fuel

All-in-one integrated forecourt solution

+27 21 556 2724  
webinfo@archsoftware.co.za  
www.archsoftware.co.za

