



Crafting a 'WOW' shopping experience for upscale city living

BY STEPHEN MAISTER

Property investor, Ross Stegmann, was looking for something special in the food store for his new Cape Quarter Square lifestyle shopping centre in Green Point, Cape Town. He needed a store that would offer a one-stop, stress free shopping experience that would meet the lifestyle needs of the young, working, upscale shoppers of the area.

A key objective for the store was for it to enhance the Cape Quarter brand they are developing.

A brief overview

Stegmann and his colleagues had to take into account a number of factors as they built up the Cape Quarter brand. The environment, location, history and heritage of the buildings have all been used to contribute to the look and vibe of Cape Quarter Square. Being involved with the catchment area for a decade was a huge advantage as they were able to draw on their knowledge of both the inhabitants and the competition in the area. Quite a different proposition to developing a greenfields site, notes Stegmann.

Stegmann did not want another traditional 'cookie cutter' supermarket, for his new shopping centre. He was looking for a store that would add a 'wow' factor to the centre shopping experience.

There was only one way to make the store all that he wanted it to be – and that was to do it himself. "To top it all", he adds,

"I've always had a soft spot for food."

The Spar format, he says, allowed him to customise the look and feel that he wanted and to develop a product range in both the service departments and in dry grocery that would work best with the centre's market.

Store opening

The store opened for business on 15 October last year and is set in a historic area on the outskirts of Cape Town's CBD on Somerset Road in Green Point. The centre is sandwiched between the Victoria & Albert Waterfront and the Bo Kaap Malay Quarter. The area has been undergoing a transformation over the last 20 to 30 years from slum housing and workshops to trendy cottages, loft apartments, boutiques, restaurants and offices.

Stegmann has been associated with the area since 1999 when he and his partners put together what is now known as the

Shiny granite floors, fresh flowers and custom lighting all help draw customers into the store and sets the scene for a different food shopping experience. Their separate Andiamo coffee shop up front also adds to the offer and attraction of the store, especially with lunchtime shoppers.

Cape Quarter Piazza. They redeveloped a block of old buildings into a restaurant, boutique and gallery complex that, in many ways, has come to anchor the boutique and restaurant development in the surrounding area.

Capturing the right feel and crowd

Cape Quarter Square, across the road from the original Piazza, is a new and modern building that combines some of the façades and interior walls of the old buildings that used to stand on the site. Although modern, it is designed to capture the feel, style and atmosphere of the Piazza. The Spar, positioned on the lower side of the centre on Somerset Road, incorporates these façades and interior walls in a trading area of 1 250m².

It is not only the store that is different from more traditional supermarkets, but also the customer base. The immediate area and adjacent Green Point is characterised by high density city living in relatively small spaces inhabited mainly by single people, couples and young families in the 9-10 LSM bracket, as well as other income groups. The area is also considered the 'pink' or gay capital of South Africa. This adds yet another dynamic in terms of energy, innovation, and sophisticated eating to the store's customer profile. There ▶

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is also a reasonable trade with tourists on a seasonal basis and Spar, notes Stegmann, is a retail brand already familiar to many Europeans.

The area also abounds with office workers. Stegmann estimates, based on the office space within 600 metres of the store, that there are 7 000 office workers there during the day. These workers represent an important component of the store's customer base.

Stegmann describes his market as 'City Livers'; a market that is not yet understood in South Africa. These are people living close to and in the city but with very different needs from traditional suburban families. They shop more frequently with a consequentially smaller average basket. They eat out more and have fewer braais. A faster pace of life means they are always on the look out for convenience.

Slick space-smart design

One of the major challenges facing the design and operation of the store was the receiving and preparation areas. To deal with the challenge of a limited back-up area, a lot of time was spent before the store opening, working with the DC around ordering and deliveries to ensure they had a viable solution.

Because service department production areas are removed from the trading floor due to restricted sales space, the responsibility of department food preparation and department sales was separated, as opposed to having one person trying to look after both floor and production. This arrangement has worked out well, although Stegmann would still have liked to have the bakery production on the floor. This was not an option. So, instead, a small bake-off oven was installed to give shoppers the constant aroma of freshly baked products.



Cape Quarter features a mini-racking system for its gondola shelving. It helps them pack high and compress a wide range into a relatively small space and still have a clean square look for a fast, easy dry grocery shopping experience.



24

SUPERMARKET & RETAILER, APRIL 2010

There was a concern that a fancy-looking store, with great lighting and granite floors at R1 000 per m², among other things, would give the store a pricey image. Stegmann notes that the granite floors, apart from looking great are also very serviceable, as they are not too porous and low maintenance. To dispel the possibility of a pricey image, they follow Spar's recommended pricing to a tee and in their service departments, aim for good value for money, both in terms of quality and portion size. They also ensure that they keep an eye on local competitors. "So far, we have yet to receive a complaint that we are expensive," says Stegmann.

The store design reflects both the history and ambience of the area and its inhabitants, their needs, as well as ideas that Stegmann picked up from overseas travel. It's not a traditional supermarket design and is very site specific, as they needed to get a lot into a small space, without it looking cramped.

Before they designed the store, they went overseas to gather ideas on how to create a modern, space-efficient and creative look. The design aims to encourage shoppers to take more time, to meander through and explore the service departments. By contrast they felt the dry grocery aisles should offer a faster shop. Hence the choice of shelving: They needed to be able to pack high to get



Fresh flowers provide a bright, colourful start to the shopping trip. They have proved a good fit with the store's customers and are big sellers on Fridays and Saturdays.

the range in and yet retain an orderly appearance. They wanted to create a square look in the dry grocery aisles with straight lines without the clutter of point-of-sale material. The idea is that the product presentation should do the selling.

This 'no clutter' speed shopping of dry groceries idea has been, perhaps, a tad too successful. They feel their customers should be benefiting by participating more in the promotions. This would also improve the store's price perception and lead to bigger basket sales.

The electronic shelf edge label system has worked well in keeping prices on shelf in sync with what is charged at the checkouts – there have been no complaints about incorrect pricing. However, ►

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the tight grocery aisles makes it difficult for shoppers to see the labels of promotional items flash.

To solve this they plan to introduce simple 'On Promotion' signs to highlight promotional products. Because there is no other clutter along the aisles, these are expected to jump out at customers and help them participate in the promotions.

Lighting and the 'wow' factor

Lighting is a great contributor to the Cape Quarter's 'wow' factor and the differentiation in brightness is very pleasing to the customers' eyes. Using the right kind of lighting is a way to draw customers into your store and keep them there for longer so they buy more.

Light wastage is minimised by using directional lighting on the displays, while indirect, reflected lighting lights up the floors. The idea is to get 1 000-1 200 lux on the product and 500 lux on the floor. The problem with traditional high general lighting in supermarkets is that it requires even more accent lighting to achieve a differentiation in brightness.

At Cape Quarter Spar, 100 watt Mini White Sun (high pressure sodium vapour) lamps are used in the bakery, fresh produce, over deli counter and meats. These have a 2 500 Kelvin colour temperature. Tinted reflectors in the lamp fittings enhance the colour of the fresh products – gold for bakery, rosé for meat and silver for fresh produce. Cool White Metal Halide 70 watt



The layout for the fresh departments are spacious and twist and turn, encouraging shoppers to slow down and explore. The deli includes the 'choose-your-own' salad bar on the right and Sushi can be seen down on the left. Serve-over fridges in the store feature well-lit self-service displays at the customers feet, which they use to cross-merchandise dry groceries at their service counters.

lamps are used for fish. With a 4 200 Kelvin colour temperature, the special fish filter in the lamp fittings enhances the blues, reds and white of the fish on display. Gondola Ends use 70 Watt 3 000 Kelvin Warm White Metal Halide lamps.

In-store experience

Fresh flowers greet customers as they enter the store. This is followed by fresh produce. Because their market is made up of singles, couples and small family units, they feature a loose selection of fresh produce that lets them buy in small quantities like one's, two's and three's. Interestingly, there is no weigh station in the department. Stegmann's experience as a shopper is that when you are looking for service at the weigh station, the staff member is never

there. This is one of the minor irritations that he wanted taken out of the shopping experience. Instead, they have opted to have scales at every checkout – which he finds is very efficient solution.

The 'choose-your-own salad' concept is a major feature of the store. Inspired by his restaurant business experience, he picked up the idea in the US and expanded on it. A four-step process helps customers navigate through the wide choice of ingredients. First, customers choose the meal – either a salad-to-go, wrap or pita. Next, customers choose one main ingredient from a list that includes roast chicken, smoked chicken, gypsy ham, tuna chunks or roasted vegetables. In step three, they choose up to two items from a list that includes blue, feta, cheddar or chunky cottage cheese,

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avocado, bacon bits or mushrooms. For step four, they choose as many ingredients as they like from a list of 17 that includes cucumbers, diced peppers, olives, kidney beans, chickpeas, whole corn, crispy onions, fresh chilli among others, and a selection of dressings.

The customer's selection is picked by staff members into stainless steel bowls, mixed and then put into the wrap, pita or salad container and packed to go. The choice, broken down into four easy steps for the customer, the healthy ingredients, the freshness along with a hefty portion and a price tag of just R28.50 has made the salad bar a hit, with both office workers at lunch time and the city dwellers for a tasty, health orientated and convenient meal.

The butchery is another department that called for a very different approach at Cape Quarter to those found in a typical suburban supermarket environment. The shoppers want to buy in smaller quantities and they want to try different things. These differences are so distinctive that they have found a change of butcher can result in a loss of the experience that is required to be successful in the store.

At Cape Quarter, a variety of pack sizes has to be maintained while the service gourmet counter helps customers select a wider variety of product.

The hot foods take out features a 'build your own pizza', as well as chicken and pies.

Communal queue

The store boasts a ten-checkout communal queue system. It's a system Stegmann favours and feels that it is proven in the market place. Nonetheless, they also did a comparative space evaluation on a traditional checkout system for the store and found the communal queue more space efficient. Stegmann says he also liked the idea that one could offer a large impulse proposition. He also feels it offers a better way to utilise till staff during trading peaks and troughs.

The trading peaks run from 12am to 2pm and 5-7pm in the evenings. Although the evening peak sees fewer feet through the store, the much bigger take-home shopping basket sizes allow the store to process the business with relatively less staff.

Staff and the shopping experience

The store is breaking new ground on many fronts. One of things Stegmann wanted to ensure was a positive shopping experience.



The gourmet self-service meat counters add variety and allows small unit sales that the store's market of singles, couples and small families calls for.

His idea is to eliminate as many of the little irritations that shoppers typically experience in the shopping trip as possible.

They have invested over R150 000 to train their 110 full-time staff. With the help of consultants they have developed the 'Cape Quarter Experience Food Manual'. According to Stegmann, the shopping experience starts as customers turn into the parking garage, search for a parking place, walk toward the store and get a trolley. They have broken the shopping experience at Cape Quarter down into over a thousand discrete small steps or experiences. Around this they have developed a manual that trains staff to offer customer these little experiences in the best possible way.

The effectiveness of the training is maintained with a mystery shopper programme that scores the store and staff on all these experiences. Where necessary, they revise the experience or the training required to achieve it. The mystery shopper programme helps refresh the training with existing staff and new staff members.

The most important aspect of the programme has been to get buy-in from both management and staff. "It's a challenge to get staff to realise that a customer is a customer, even though the customer is not always right," he says. It's a process that is very important for management to buy into as well, because it provides a huge opportunity for supermarkets to differentiate themselves from their competition. In family businesses the owners often do many of these things and lead by example, but the problem arises when they are not there. "What happens then?" Stegmann asks.

Getting buy-in from all levels of staff and continuous training helps make good service happen all the time.

Future expansion

The next step is to add 350m² to the initial 1 250m² of selling area. Two thirds of the expansion is a Spar home section on the level above the store. It is to be linked internally to the main trading floor by a staircase and lift and will carry a range of houseware, homeware, DIY and stationery specifically suited to the city living environment.

While Stegmann believes that the Spar home section could operate successfully as a stand-alone section, linking them internally, will strengthen both.

The other third will expand the dry groceries. Provision had been made on the initial store plan for an in-store pharmacy. The opening is planned for 1 June, by which time they expect to receive their pharmacy licence. Stegmann sees the pharmacy as a natural extension of all the personal care ranges they already sell. They will operate this as another department within the store, hiring their own pharmacists and assistants.

Store performance

The store has performed far better than their original projections indicated. Stegmann had expected more parked shoppers but he underestimated the trade from passers-by. These customers are mainly from the surrounding offices at lunch time, but also in the evenings on their way home along the Atlantic seaboard – mainly Green Point but also Sea Point. ▶



The bakery department artfully incorporates 180 year old stone and mud walls from the original buildings on the site, adding to the department's authentic flavour perception.



The communal queue checkout configuration proved a space saver for the store and enables them to display a good range of impulse lines. Checkout stations include scales to weigh and price customers' loose fresh produce purchases.

Fresh produce is the first department to greet customers after fresh flowers. While compact, it includes a loose section which helps singles and couples buy just the right amount for their next meal. Items are weighed and priced at the checkouts.



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There have been no silly surprises. The store works and has performed pretty much according to plan. It's added the 'wow' factor they were looking for to build the Caper Quarter brand and shopping experience.

The average weekday basket started off at R50 in the week they opened the store. This has been growing and stood at R65 in March, where their average weekend basket reached R100 plus. What happened was that as the walk-ins for lunch became familiar with the store, their take-home purchases increased. So much so that 160 litre trolleys have now been added to their initial fleet of 90 litre trolleys. The store is achieving 60:40 grocery to service departments split.

Cape Quarter Spar is, in fact, a wonderful example of what can be achieved by marrying the fresh 'eyes' and ideas of a newcomer to a proven and experienced retail system and organisation like Spar.



The sides of the gondola end units feature easy to read, eye-level aisle department signs.