

Stepping up to the plate

Pick n Pay raises the bar in Alexandra

BY LINDA WILKINS

How do you make a high-end store format work in a low-income township?

That was the challenge facing Pick n Pay and its franchisee when it signed up for a store in the first shopping centre to open in Alexandra township situated east of Johannesburg.

Alex, as it is famously known, is home to around 500 000 people. It consists of mainly informal housing and hostels with a small percentage of middle class residents. The township has seen some improvements in the last eight years since the inception of an urban renewal project.

Tenant mix

The Pan Africa Shopping Centre features a good mix of tenants, including OK Furniture, Jet Mart, Markham, Link Pharmacy, Multiserve, Vodacom, MTN, McDonalds, KFC, King Pie, Steers and Debonairs Pizza, while the anchor tenant is Pick n Pay. There are 61 retailers represented in the centre, 80% of which are national retailers.

Pick n Pay enters new markets

According to Izak Joubert, Pick n Pay's



Pick n Pay Alexandra puts a high-end shopping experience on Alexandra residents doorstep.

property and operations director, Pick n Pay has recently started entering markets in which it was previously not established. "Pick n Pay opened in Soweto last year and we are pleased to follow this up with our Alexandra store, which opened for trading on 21 May," he says.

Welcome to Pick n Pay Alexandra

Situated on the ground floor of the Pan Africa Shopping Centre, this Pick n Pay franchise store is owned by four partners: Tshepo and Neria Ndlovu, who are the main shareholders, brother Gugu Ndlovu and Oliver Phaahla, who is a Pick n Pay academy graduate. Chris Mawhinney, general manager, Gauteng franchise division, Pick n Pay, says he believes Phaahla will be a great asset to the business as he has undergone extensive training to build him up into a successful entrepreneur.

The store has also appointed an operations manager, Thomas Motaung, who takes care of much of the day to day running of the store.

"The store is no different to any other Pick n Pay outlet, with all the departments such as deli, hot meals, fruit & vegetables, bakery, butchery, health and beauty, plus all the normal groceries," says Mawhinney.

Meanwhile Tshepo Ndlovu, who takes great pride in his store, says he believes it has restored a sense of dignity to Alexandra residents. "This is a supermarket in which they can feel proud. It has raised the standard in the area and given residents a place to shop that is comparable to a Pick n Pay store in any other area."

Customer focus

Tsepho says their focus is totally on customer service, in order to provide people

from Alex with a top quality shopping experience. "Traditionally, African people do not complain. In the case of poor service at a supermarket, they'll just stop coming to your store," he says. "We have a fairly diverse customer base, but what they all have in common is a desire to be treated well. It's not about how much they earn, but about their right to be treated with dignity."

A taxi rank that is situated on the upper level of the shopping centre helps customers get to and from the store, which makes life a lot easier for them.

Senior citizens who shop at the store receive discounts on basic foodstuffs from the 1st to the 10th of each month.

What's on offer?

The first impression of this store is that it is incredibly clean and neat. Plus, even though it was fairly busy on the day we were there, it is spacious enough to accommodate big numbers of shoppers. It also features extra wide aisles that allow trolleys to be easily manoeuvred past one another, especially during the busiest times from Friday to Sunday and at month end.

The entrance leads into the hot foods counter on the left hand side as you come into the store, which is one of the most popular sections for shoppers. All the food preparation at the hot meals counter is done on site. There are about 27 different dishes on offer here.

Just next to the hot food counter is a salad bar, where two of the best selling items are muesli and yoghurt. "People



Hot bread is so popular that they have already ordered their 3rd oven.

– especially our younger shoppers - are beginning to see the advantages of eating healthier food," says Tsepho.

Another popular counter is the bakery, where hot bread fresh out of the ovens doesn't even make it onto the shelves! Bakery manager Elmon Khoza says the bread queue has to be seen to be believed and certainly on the day of our visit, it was growing with each passing minute until by lunchtime, it was about 40 people long, all queuing patiently for what one customer described as "bread that is well worth the wait." Khoza says they cannot keep up and has ordered a third oven to increase their production levels.

The bakery sells around 4 000 loaves of bread a day and is also known for its wedding and birthday cakes that are fast gaining a reputation in the area.

One way that the bakery has managed to grow its sales of cream cakes is to produce a cake that has a slightly smaller diameter but otherwise is just the same as

its bigger counterpart. These smaller cakes retail for less than half the price of the bigger cakes – R19,99 compared to R43 – and have proven to be extremely popular, as they are very affordable.

Samples are on offer at the bakery to encourage shoppers to try and buy new and different items. "Sampling is the best way of encouraging a positive purchase decision at the bakery," says Tsepho.

The bakery is the margin leader in the store.

Meanwhile, the butchery sells a wide range of meat, chicken and fish at prices that cater for the store's lower and middle income shoppers. There is a full-time butchery manager, Abel Rampai, on site with a team of skilled employees who are on hand to help and give advice to customers.

There is also a large fresh produce department with a variety of fruit and vegetables on offer.

Toiletries, housewares such as pots, pans, electrical appliances and coffee mugs, as well as paraffin, are seeing good sales so far.

An interesting feature of the store is the choice of music they play. Instead of contemporary songs, they play classical music, which slows down the pace and provides a calming and upmarket atmosphere.

Working together

Interestingly, Tsepho says he decided to take the approach of working with the local

Bottled water sells well at this store.





The store has a bulk section, with large packs of rice, maize meal, sugar, long-life milk, oil and flour.

informal retailers with a view to complementing another's businesses. To this end, he approached the spaza stores, bakeries and hawkers in the area and offered to supply them with ingredients and fresh produce at cost. Most of them accepted the offer and now purchase from the store's fresh produce department and the bulk section that is situated in the last aisle on the right hand side of the store. Rice, maize meal, sugar, long-life milk, oil and flour move off the shelves so fast that "we find it difficult to keep the shelves stocked up," says Tsepho.

He says that although there was some resistance to the store by the local informal retailers when it first opened, they have now realised that there is a place for everyone in this market.

Community initiatives

This store has a big social responsibility programme, headed up by Neria Ndlovu, who also looks after the HR side of the business. She has implemented a number of successful partnerships within the Alexandra community, such as Tsogang, a feeding programme for orphaned and vulnerable children, Itlhokomeleng, which imparts skills to senior citizens, Banakekeleni, which provides food to terminally ill AIDS patients, and 'Born to Dance', where children are taught to dance at the local community hall. Another initiative, Gcwala Sbahle, is a food gardening project for the youth.

"Through FNB, we have been able to help the two latter groups to get registered with the Department of Trade and Industry

and to open banking accounts. The main aim with Gcwala S'bahle is to impart both gardening and entrepreneurial skills such that they ultimately are listed as suppliers" explains Neria.

"The main aim with our social investment initiatives is not only to give, but to help the community develop and grow" says Neria.

As part of the HR aspect of Neria's portfolio, there is an employee programme in place that includes management development, staff performance appraisals and an empowerment policy that allows



Gourmet Area



Deli Products



Deli-Licious Counter

www.kanhyam.co.za

THREE CLUBS 9223

Exciting new business opportunities in Gauteng.

Kanhyam, the well known farming giant, with a history spanning more than seven decades, is now entering the retail market with a range of business opportunities which we believe can better serve today's discerning consumers.

There are three different store concepts:

First the Kanhyam Fresh Meat Deli, which is a large butchery / deli, incorporating a cold room and freezer facilities, as well as the butchery section and sales floor area.

A large proportion of the meat products are delivered from the Kanhyam Farm in a pre-packed state, ready for the display fridges. However, Kanhyam also supplies some meat carcasses to the Deli in order that they can be cut and prepared to customers requirements.

This store also stocks a wide range of complementary sauces, spices, rubs and deli-licious products. To top this the Deli also has a Chef / Customer Advisor on hand to advise customers on special cuts of meat, how to prepare them, plus also provide samples of the many wonderful products on offer.

The second store concept is a smaller Fresh Meat Deli which focuses on a wide range of pre-packed products, with a smaller range of complementary products.

Thirdly, for the numerous biltong loving consumers Kanhyam has designed a Biltong Deli outlet, selling a range of top quality biltong, droe wors and related products, all supplied by Kanhyam.

The Kanhyam Farm breeds superior quality animals using unequalled food safety standards, providing our franchisees & consumers with "designer" meats that are free from antibiotics; under the Tenderlicious™, Slenderlicious™ and Leanerlicious™ brands.

Investment in these franchise opportunities ranges from R400,000 for a Kanhyam Biltong Deli to over R4 million for a large Kanhyam Fresh Meat Deli.

Kanhyam will consider Joint Venture Partnerships with selected franchise partners.

If you have a passion for fresh meat and food retailing and would like to own your own successful store please contact:

Philip Smith at: philip@kanhyam.co.za
or phone 082 490 1856



The store carries a lot of paraffin. The majority of the residents in the township do not have electricity and uses paraffin for cooking and heating.

Lifestyle signage adds a sophisticated look and feel to the store.

employees to become competent in the store's systems and procedures.

In addition, Tshepo makes a weekly appearance on Alex FM, the township's local radio station, which helps to

raise awareness about the store's community initiatives and also gives the store's customers a way of speaking to him about what they like or don't like about it. They can phone in to the radio station and have

a chat to him

Going forward

It is still early days for Pick n Pay Alexandra, having only opened for trading just over

Tasty Treats

Cream filled Delights

Trade Enquiries:
Continental Biscuit Mnfers. (Pty) Ltd
 info@tastytreats.co.za www.tastytreats.co.za
 Tel (011) 494-3619/9 Fax: (011) 494-2304

two and a half months ago. However, in the 10 days to the end of May, the store turned over R4,5m, while in June they achieved R6,5m, which exceeded their target of R6,2m.

Mawhinney says that they are expecting good things from this site. "We are very positive that it will be a great store for the group going forward."

Sources:

www.pptpilot.org.za



Many of the local hawkers come and buy their fresh produce from the store.

Have a look on www.supermarket.co.za for more pics of Pick n Pay Alexandra.



The store has 16 tills and a trading area of 1 868m².

Pick n Pay Pan Africa Shopping Centre, Alexandra

Partners: Tsepho Ndlovu, Neria Ndlovu, Gugu Ndlovu and Oliver Phaahla

Total store area: 2 807m²

Trading area: 1 868m²

Number of tills: 16

Employees: 115, of which 73% come from the local community

Trading hours: 7am to 8pm from Monday to Saturday and 8am to 8pm on Sundays and public holidays

Hot and cold foods-to-go



Sandwiches, Pies, Chicken, Chips and Cold drinks

Increase your deli/take-out sales with this self-service line-up.

Full stainless steel interior supplied and installed by Ice Pic Manufacturing

For full details and pricing contact:

Hein Botes 083-626-6189

Liezl Macaskill 082-779-2416

www.schelling.co.za

15 Derrick Road Spartan
Tel: 011-394-2213
Fax: 086 546 4545

