



Conventional supermarkets are evolving apace. Their most evident innovation is the attention paid to the fresh departments. Best Before is a new concept that goes against the trend – in fact, there is not one fridge and/or perishable item in sight.

Hippo Zourides  
Storewatch

## Best Before

The outside of the building is very simple, but the message is clear. Branches are now open in Wendywood and Edenvale.

### Who would have thought that goods close to expiry date would make a retail business?

Located in Wendywood, Sandton, Johannesburg, Best Before has now been open for a year and already, a second smaller branch in Edenvale, in the eastern suburbs of Johannesburg has followed.

Owned by Alain Soriano, the store is dedicated to selling 'close to expiry' and 'best before' dated edible and non-edible grocery products. Whether it's biscuits, teas, coffees, chocolates, sweets, rice, mealie meal, flour, condiments, spices, jams, or cleaning and beauty aids, the store has got them all.

Soriano, who was involved in exporting goods into Africa realised that many of the manufacturers he dealt with had a challenge from time to time with batches of product whose 'best before' date was less than say, 6 months away. Conventional retailers refuse to take these products into their inventory. Yet there is a lot around. Available statistics



Thousands of biscuits are sold from displays such as these, where the price benefit is obvious.



Basics such as mealie meal and flavoured water are displayed in bulk displays.



This 'value wall' re-assures the customer upon entering the store that there is value for money at every turn.



Branded products are sold in multiples to encourage bulk sales.

indicate that some manufacturer's may have as much as 20% of their production that falls into this category.

### Concept

Before venturing into the business, Soriano did due diligence into the legal and health regulations surrounding product expiry dates. It became obvious that 'best before' is an

aspect of the life of a product that still allows it to be sold, provided consumers are made aware of what they are buying.

Satisfied with his legal advice, Soriano approached a number of suppliers about disposing of their products in this category. At first, the response was muted.

Only a few suppliers took advantage of the offer. Today, after trading for a year,

This sign is the basis of what the business is all about. The legalese has been converted into consumer-friendly language and the client is no doubt of what he/she will find in the store.



### Copy of the legal disclaimer

THIS STORE SPECIALISES IN SELLING FOOD AT DISCOUNTED PRICES THAT EITHER HAS A SHORT TIME UNTIL IT HAS REACHED ITS PRINTED "BEST BEFORE" DATE OR IS ALREADY AT ITS PRINTED "BEST BEFORE" DATE.

**Definition:** "date of minimum durability – 'Best before' or 'Best before end' – means the date which signified the end of the period under any stated storage conditions during which the product will remain fully marketable and will retain any specific qualities for which tacit or express claims have been made. However, beyond the date, the food may still be perfectly satisfactory.

Dept of Health media statement dd. 9 March 2010

'Best before' date to be mandatory for non-perishables but no prohibition regarding placed on the sale thereof after the date has expired in view of it relating only to the optimum freshness, thus quality aspects, of these products.

### This means that

The "best before" date does not provide a health and safety guarantee. The "best before" date provides only a quality guarantee up to that date, Therefore, after that date, the product should still be safe for consumption, unless the container is showing signs of rust, is blown, is damaged or has been opened.

Best Before has a regular supply of product from more than 36 suppliers and the number is growing exponentially.

The secret of marketing the concept is that consumers are left in no doubt about what they're being offered. Both on entering the store and around it, comprehensive signage explains the concept to them and does not claim freshness or newness in any way.

The most prominent sign at the entrance to the store is the legal disclaimer as shown in the column on the left.



The sign is self-explanatory – texture and flavour may be different, but the product is safe for consumption.

Elsewhere, the store is replete with signage that conveys the main concept to shoppers, but which also advises on the terrific value for money offers on display. Hand-written and printed posters abound around the store and the message is "Here is a place of value and the range is appropriate for your needs."

Customers say it is like a treasure hunt in the store. Alain says this is because they have products that are unusual and products that you don't see everywhere. It is also because the items they offer change all the time depending on what they get from suppliers.

Many local charities have discovered the store and often pop in to buy in bulk for their required needs. The savings on the product

price assists them to stretch their budgets to the maximum.

Regular clients come from Sandton, Alexandra and Marlboro, which ensures a multi-cultural and varied income customer profile for the store.

**The store**

The store is low cost. Fitted with industrial shelving, it also has lots of open space where pallets loaded with merchandise are displayed.

However, good lighting and evaporative air-cooling ensure a pleasant and comfortable shopping experience. The store only employs seven people. In addition to being well-trained on the product range and its benefits they



The company refund policy is very fair, and customers have 7 days to return any products that do not meet the store's criteria.



Those purchasing in relative big bulk are entitled to further discounts, as agreed to by the store manager.



On Monday's pensioners get a further 10% discount on the low prices.

Best Before often uses the local newspaper to spread the message, but social media is the main promotional platform. Facebook followers now reach over 8 000.



not only merchandise the store, but also cashier at the store's four tills. This very economic operational model ensures profitability.

## Negotiation

Soriano has formulated a gross profit model and this plays an important part in his negotiations with suppliers. Most products in the store sell at about 30% below normal retail prices. In some cases this goes as low as 50%.

Best Before also takes in some stock on consignment to release storage space at the suppliers' premises.

Recently they have received visits from some supplier company CEO's to see the concept for themselves and check that it is both viable and that they have no risk of reputational damage for their products. This has increased the number of suppliers.

## Quality control

Samples of product are regularly sent to an outsourced food testing laboratory. The results have been impressive. Only blown or rusty tines of product have had to be removed from the shelves, but all other products have been proved suitable for human consumption. In some cases, the original taste and/or consistency may be slightly affected, but the food safety aspects are well within the bounds of the law.

A "No questions refund policy" is in place for customers who are dissatisfied with their product purchase within seven days, but Soriano claims that very few products have been returned in their first year's operation.

## Marketing

Best Before uses local community newspapers to tell its readers of the offers available, but social media has taken over the marketing process. Over 8 000 followers on Facebook not only interact with management, but can also view educational videos about the store concept and its offering.

Every Friday an electronic newsletter is published and the reaction by the followers increases with every week that goes by.

A website will also come alive soon.

The business model is not available on a franchise basis, but Soriano wants to expand its footprint nationally on a joint venture basis.

“ Soriano has formulated a gross profit model and this plays an important part in his negotiations with suppliers. ”



Alain Soriano is very proud of his small staff complement and has trained them for superior customer service and product knowledge. Only seven staff members are employed for this model.



Industrial shelving displays all the products from ankle to eye level and reserve stock is kept at the top shelves, ready for replenishment. The range changes as suppliers run out of certain items and the next shipment can consist of different products.



This young shopper was stocking up on pop corn for a forthcoming camping trip.



This Sandton resident, who claims to be a regular, finds the shop appealing and was keen to buy the coffee capsules on display. Other shoppers come from Alexandra, Gallo Manor and Marlboro.

“ Samples of product are regularly sent to an outsourced food testing laboratory. The results have been impressive. ”



Maggi instant noodles ready to expire in two months' time are sold for only R2.50 each.



The ground coffee area displays a large variety of branded products at exceptionally low prices.



A range of products suitable for the Atkins diet are regularly featured in the Best Before shelves.



This display of canned tomato was replenished on a regular basis.

This brand of bottled water (still and sparkling) was available at R5 a bottle.



Even personal care products, such as soaps, skin care, toothpaste, deodorants and shaving creams are also available at very low prices.



Well-known brands abound on the store shelves. Not only local lines are available but the store also sells a range of imported items.