

# SUPERMARKET & RETAILER

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Business knowledge for smart retailers  
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**FLM ...  
Celebrating  
the value  
of good food**

**Changing trends  
& behaviour of  
the Kasi shopper**

**The cold facts of  
store refrigeration**



# Contents



## FEATURES



Visual courtesy of Colcab: Parow Exchange

### Refrigeration

The cold facts of store refrigeration ... efficiency, sustainability and functionality. Reducing energy expenses, maximising cabinet and plant efficiency, and alternative energy supply during loadshedding and unscheduled outages are all big-issue questions discussed by Ann-Baker Keulemans.

### Refrigeration insights

The best cabinet for the job. From uprights, jumbo islands and dual-service units to self-contained islands, classic gondola ends and multi-deck chillers, the choice of refrigeration and freezer units is extensive. Each style has its pros and cons.

## COLUMNS

### Delight your customers

Aki Kalliatakis always talks about innovation and uniqueness to improve products and services, with new ideas to add value for customers. But does a consistent customer experience, repeated over and over again, sometimes lead to customer loyalty?

## STOREWATCH

### Storewatch: FLM Waterfall Ridge



Illustrated by beautiful pictures, our staff writer, Jaime van Aswegen, shows how this Food Lover's Market

celebrates the value of good food.

### Storewatch: The informal sector

Changing trends and behaviour of the Kasi shopper. GG Alcock says we should prepare for a KasiNomic Revolution – a new world of small people doing big things, transforming the continent.

## NEWS

### Online e-commerce

Social e-commerce ramps up online sales. What do we have to look forward to in the social e-comm space from some of the leaders in this space?

### Opinion piece

The supply chain of the future is purpose-driven and supported by intelligent technology.

### Digital differentiators

In today's competitive world, brand loyalty is no longer a guarantee for digital businesses. Engage existing retail customers with these 4 strategies to find innovative ways to distinguish your offerings through the entire customer lifecycle.

### Cost of living survey

How South Africans are coping with the increase in the cost of living. Economic devastation, rising costs are threatening their survival.



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# The cold hard facts...

## After labour the biggest cost in any supermarket or FMCG wholesaler is refrigeration

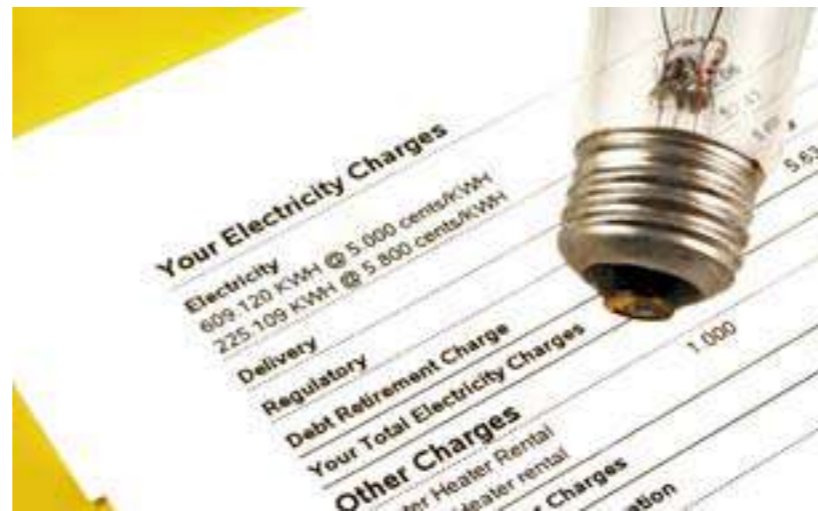
“Energy is on everyone’s mind these days. With rising costs, harsh tariffs, and a wildly unpredictable power supply, the only thing we know for sure is that the situation will get worse before it gets better.”



Helen Maister

This is not good news for supermarkets and FMCG wholesalers, arguably the most energy-intensive retail businesses in the country. Reducing energy expenses, maximising cabinet and plant efficiency, and alternative energy supply during load-shedding and unscheduled outages are all big-issue questions, while globally the environmental need for energy efficiency and energy savings is growing. In addition, legislation has been or is being introduced in countries around the world that will mandate certain changes being made to the way refrigeration works.

A client mentioned to me earlier this month that when he started in the refrigeration industry he didn’t have any



knowledge about refrigeration. He then found every back issue of *Supermarket & Retailer* and read every feature he could find on the subject, giving him the competitive edge. In this issue Ann-Baker Keulemans has written a detailed feature of all aspect of refrigeration. It will guide you in all the elements of refrigeration with expert insights from leaders in this field.

A special thanks to Colcab for providing us with our cover photo taken at Spar Hassendal

“Township shoppers have increasingly benefitted from a huge range of shopping options, from the gleaming kasi malls with their retail tenants to retailers now present in kasi suburbs and even down to the growing informal retailers – spazarette and spazas in every kasi street.

The spaza sector continues to offer a better and better variety of brands at prices often on par with the formal retailer. So, the kasi shopper is spoilt for choice and is increasingly adapting her shopping behaviour to these offerings and for her convenience. Starting with the kasi malls, these are increasingly about month start and end shopping visits. The visit to a mall at month start or end is generally a social visit, an experience, a family event where the shopper dresses up, and spends the best part of the day at the mall. The day starts with drawing cash at the ATM, then updating your apps on the free mall wifi, then the total ambit of shopping from the Shoprite or Pick n Pay to the Pep, paying for your DStv, having a fast food meal, doing eye shopping (window shopping) and then the taxi ride home.” – GG Alcock

Store Watch: Waterfall Ridge Centre has recently welcomed the exquisite new Food Lovers Market to the Midrand area. Being perfectly situated to service the hustle and bustle of working employees around the centre, as well as the young families living in the nearby residential area – Jaime-Anne van Aswegen.

Helen Maister

Helen Maister



In this series of Supermarket & Retailer's articles, we share stories of what some organisations and managers have done to motivate and inspire their teams. We give you practical ideas of what you can do to create the most amazing, customer-driven company in the world.

Aki Kalliatakis

[aki@leadershiplaunchpad.co.za](mailto:aki@leadershiplaunchpad.co.za)

[www.leadershiplaunchpad.co.za](http://www.leadershiplaunchpad.co.za)

Every year in August we go to Umhlanga timeshare for our holiday. We own two weeks at the resort, but even so we pay quite a bit in annual levies and extra meals to be there. It's not a five star hotel, but we love it anyway. Every year we get the same room on the same floor, are happy to see the same familiar people there (both staff and guests), eat at the same places, and get involved in the same family activities. I swear, even the questions in poolside the 'family quiz' are the same that they were last year – and I always win a bottle of wine!

Now you may be thinkin, "Hey Aki. Aren't you the guy that's always talking about innovation and uniqueness? Aren't you always writing about how our products and services have always got to



The usual...  
Please!

“ Hey Aki. Aren't you the guy that's always talking about innovation and uniqueness? How our products and services have always got to be improved, with new ideas to add value for customers? ”

But does a consistently similar customer experience, repeated over and over again, sometimes lead to customer loyalty?

be improved, and how we need to constantly and creatively come up with new ideas to add value for customers?" Yes, of course, I still believe in that.

In a competitive market, we always need to ensure that we are distinct and differentiated from our rivals. We need to be aware that sometimes customers get a bit bored, and that's why we have expressions like, "A change is as good as a holiday." And you certainly don't want to be seen as 'vanilla' giving the same humdrum service and products that are unavoidable.

But does a consistently similar customer experience, repeated over and over again, sometimes lead to customer loyalty?

With the carpet pulled out from under our feet in the past couple of years by the 'new normal', I'd suggest that we sometimes yearn for that certain comfort in the familiarity and consistency of experiences that are predictable. I go on holiday to timeshare with my family every year precisely because I want the same experience I've had many times before – no surprises.

There is confidence in knowing what to expect – and getting it. The experience is unsurprisingly anticipated. The stay at timeshare works for us because the product does what it is supposed to do. If it didn't, we have a choice of thousands of other family-friendly resorts in our beautiful country, and they will probably lose us as a customer.

A study conducted by Marco Costa, of the University of Bologna, and reported in the Harvard Business Review of September 2011, confirmed something which you and I have probably observed hundreds of times. But it also sparked an idea that could improve the customer experience and our customers' loyalty. Costa's study indicated that 66% of students observed in lecture halls over a six week period chose the same seat, or an adjacent one, every time.

The study, titled *Territorial Behaviour in Public Settings*, suggests that restaurants and hotels could boost satisfaction by giving repeat customers the same table or room on each visit. From an employee experience perspective, the study suggests that companies could reduce worker anxiety by holding recurring meetings in the same conference room.

It struck me that this is what explains the apparent paradox in my thinking about innovation versus predictability. There are no hard and fast rules for customer care and loyalty. Rather, it is about understanding the real needs of the customer, and then creating a predictable customer experience through products and service. If they



“ With the carpet pulled out from under our feet in the past couple of years by the 'new normal', we sometimes yearn for that certain comfort in the familiarity and consistency of experiences that are predictable – to slow down and have no surprises. ”

want innovation – think about the early innovators and customers that buy Apple products, or people who get a kick from trying new technology regularly – then by all means give them something new. But remember that the early adopters are a very small percentage of your customers.

For most of the rest of your customers, don't underestimate the fact that they sometimes want the experience they had last time.

The new science of behavioural economics, which won the Nobel Prize in Economics for Daniel Kahneman, and superbly demonstrated in his book

Thinking Fast and Slow, has proven that, as much as we sometimes seek variety as human beings, we are most comfortable with day-to-day decisions that don't require us to burn brain calories. Think about how an unanticipated traffic jam can cause you so much misery and spoil your day. Or how, by moving certain products to a different aisle upsets customers irrationally.

Kahneman stated that as human beings we sometimes have to take slower, more deliberate, rational and logical decisions, but this takes time and effort. We simply don't have enough time,

nor do we want to exert more effort into making these decisions every day. Mostly, we want to not even think about things that happen to us. We want to just get on with it without exhausting ourselves, and that is where consistency plays a role.

Your job is to first repeat the tangible or physical part of the experience, and try to appeal to all of the customer's senses. A repeat of the physical layout, putting the customer at the table they are familiar with – a memorable smell, a familiar type of music in the background. All of these are tangible and add a big layer of consistency. Then try to repeat the more difficult emotional part of the experience.



We work very hard to create a great customer experience. Customers like consistency. They like

what they are used to. They like what they have positively experienced in the past, and tend to want a repeat experience.

So, what do you need to do consistently, over and over, that will build a positive and predictable tangible experience for your customers? And what innovations and changes can you introduce that will still make them feel safe and not needing to waste mental energy to figure out? **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 (011) 640 3958, or via the website at [www.leadershiplaunchpad.co.za](http://www.leadershiplaunchpad.co.za)



  
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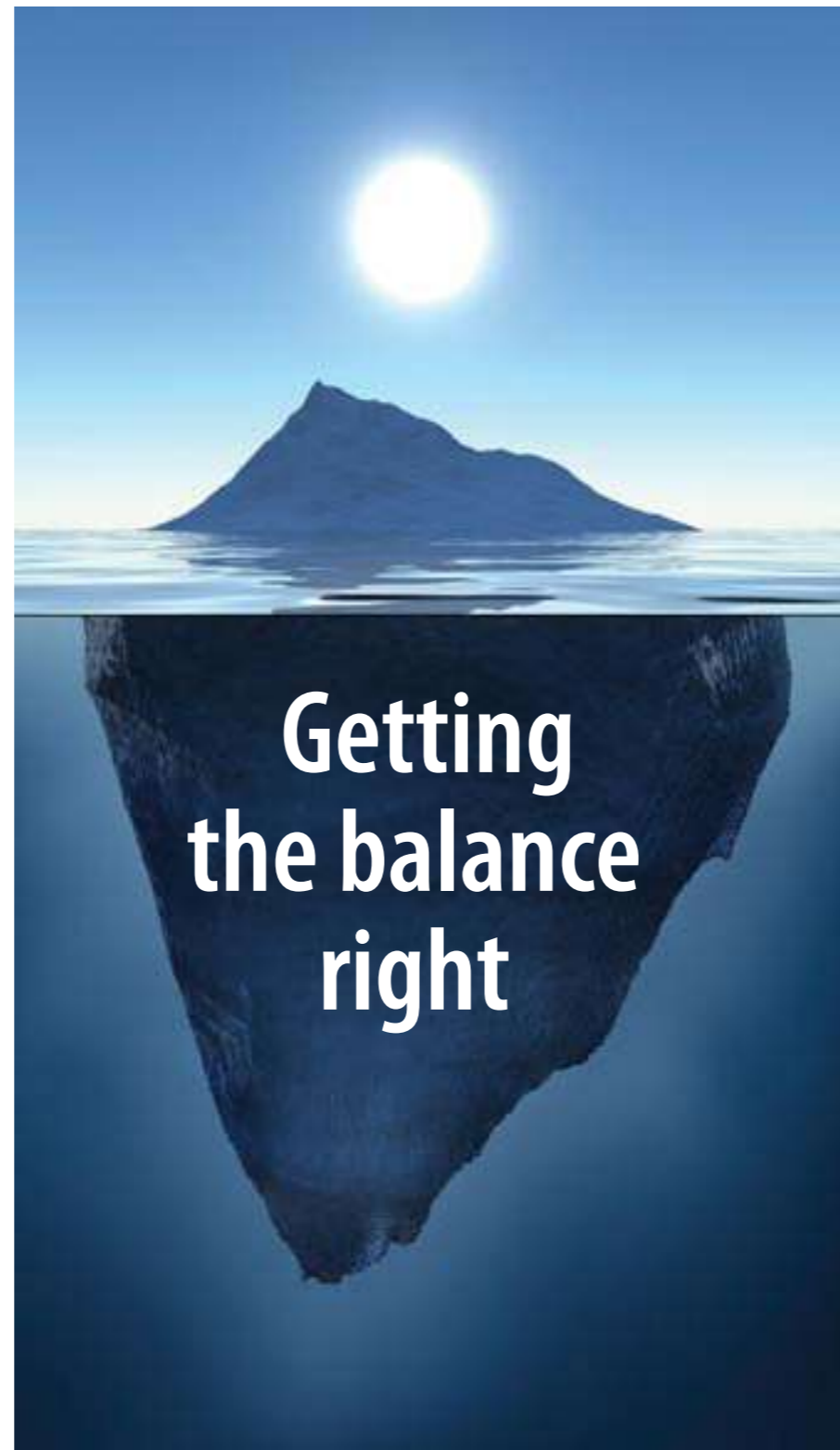
# The cold facts of store refrigeration

## Efficiency, sustainability and functionality

**E**nergy is on everyone's mind these days. With rising costs, harsh tariffs, and a wildly unpredictable power supply, the only thing we know for sure is that the situation will get worse before it gets better. This is not good news for supermarkets and FMCG wholesalers, arguably the most energy-intensive retail businesses in the country.

Reducing energy expenses, maximising cabinet and plant efficiency, and alternative energy supply during loadshedding and unscheduled outages are all big-issue questions, while globally the environmental need for energy efficiency and energy savings is growing. In addition, legislation has been or is being introduced in countries around the world that will mandate certain changes being made to the way refrigeration works.

With this in mind, it is important to recognise that there is a changing set of demands for both new and existing systems. Energy efficiency, eco-friendliness, and a reduced reliance on grid power are all aspects that will continue to gain traction in the areas of retrofitting and refurbishment, while new designs will have a much stricter set of requirements to adhere to.



### Efficient versus effective

According to engineering and refrigeration specialists Danfoss, supermarkets and FMCG wholesalers can spend up to 50% – 60% of their energy bill on refrigeration. Interfering with refrigeration systems can lead to food safety issues, which is why energy managers and store owners are often reluctant to make big changes to their most energy-hungry components. However, if stores are willing to invest in energy-efficient systems, the value to the business is clearly visible.

An effective refrigeration system used to be all that mattered. If it kept your produce cold and fresh, it was doing its job. But that's not nearly enough anymore. Your refrigeration and freezer units need to be efficient at energy savings, as well as keeping your produce at the right temperature, with minimal fluctuations, and for longer. Product longevity, shelf-life, and your energy bill are at stake.

### Maintenance is key

Preventative and continuous maintenance is crucial to maintaining a certain level of efficiency. Knowing your system's baseline energy consumption is an important part





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## RETROFIT

Colcab offers tailor-made retrofit solutions. Please contact De Wet Solomon on 084 368 5048 for retrofit enquiries.

Legal disclaimer: The above information is believed to be correct but does not intend to be all-inclusive and shall be used only as a guide. Colcab (Pty) Ltd shall not be held liable for any damage resulting from handling the above product.

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of proactive maintenance, as many small issues would otherwise go unnoticed. A blocked condenser in winter, for example, won't affect the overall effectiveness of your system, but it will erode its efficiency. And come summer, that broken condenser could trip the entire system, necessitating expensive (and potentially extensive) repairs. Catching energy consumption changes early mean small but important savings that could also potentially prevent an expensive system failure. The new generation of energy monitoring systems make monitoring your system easier, are more user-friendly, and energy dashboards are available on PC, laptop, tablet, and even mobile devices.

### Run an energy audit

“Running an energy audit is critical to understanding your energy needs, consumption, and efficiency.”

But, how do you do one? Concord Refrigeration sales and marketing executive Scott Messenger says, “This is easy to do with a modern electronic expansion valve multiplex system and can be done on a daily basis. The major retailers are contracting companies to monitor their equipment and ensure that it is running as efficiently and effectively as possible. On the older TEV (thermostatic expansion valve) simplex units it isn't quite as easy, but it can be carried out by installing consumption monitoring equipment and temperature performance equipment.”



Visual courtesy of Concord Refrigeration

There is a case for both doors and no doors when it comes to refrigeration cabinets. In terms of frozen goods, doors and glass top sliders on upright units and chest style freezers are essential to help keep the temperature at  $-18^{\circ}\text{C}$  or lower, in order to retain the integrity and shelf life of the food. Doors can also help stabilise temperatures during power outs, an important consideration for South African stores facing loadshedding.

If you can't afford to install new, then refurbishment of existing systems, or retrofitting newer technology to existing systems, are both excellent options. Cost savings over the long term often outweigh the initial cost of these exercises, but even so, the outlay is certainly not insignificant, depending on the age of your existing system and the extent of the changes you want to make.

### Managing your peak load

“In many countries, reducing peak electricity demand is now the fastest way to significantly reduce a supermarket's energy bill. With ever increasing energy shutdowns and load shedding, power grids experience moments of peak demand which threaten safety and reliability. At other times there's excess supply,” says Alistair Bell,



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### Successful retrofit examples:



Heat exchanger

Highly-efficient ZApus units with ECblue motors. **Estimated savings/year: 25.6% energy savings\***



Supply air system

Efficient space-saving centrifugal fan formation with ECblue motors. **Estimated savings/year: 37% energy savings\***

\* Results vary depending on application, load cycle, the control and installed equipment etc. with many of our RETROfit customers experiencing >60% energy savings

**The Royal League** in **ventilation**, control and drive technology

technical sales engineer, Danfoss South Africa. “For a large energy user like a supermarket chain, this has several key impacts. Often, the price per unit a store pays will be influenced by its highest energy demand – even if this was only for a few minutes. Retailers who manage this one moment better can achieve a significant, year-round saving. It is also critical to find ways to adjust the system when it over-uses energy, while always keeping the temperature well within safe limits,” says Bell.

This can be as simple as managing the timing of when you undertake power-heavy maintenance such as defrost cycles, which can pull a heavy load and increase your peak usage significantly. Danfoss engineers report that you can use your system like a battery, Bell explains. When a store is expecting a peak in energy demand, they can lower freezer temperatures during off-peak hours, then temporarily switch off the compressors until the peak has passed.

In this way, it is possible to reduce refrigeration compressor power by as much 30% for a short time during periods of peak demand. Conversely, the system must then be run more intensively to compensate and ensure the temperature remains within safe limits.

Overall, this approach will use more energy, but used properly, the unit price savings can often far outweigh the increase. In order to ascertain if this technique would work for you, you would need to have a clear understanding of when your peak demand periods take place, and what sort of savings you could achieve by increasing your



Checkers Sitari (Somerset West, Western Cape), one of the many stores that harness the power of the sun for their operations.

Visual and information courtesy  
[www.shopriteholdings.co.za](http://www.shopriteholdings.co.za)

**T**he Shoprite Group generates enough electricity to power over 1 100 households a year – 12 300 MWh of electricity – from solar energy, following the installation of rooftop PV (photovoltaic) panels at 19 sites (18 stores and a distribution centre) in South Africa and Namibia. The Group has also fitted solar panels to the roofs of 649 trucks, which generate 760 MWh annually – enough power to run 1 040 refrigerators for a full year. These allow drivers to switch off truck ignitions at delivery locations, reducing noise and exhaust pollution, while keeping the cold chain intact. Its biggest solar PV project, at the Basson distribution centre, covers the surface area of an entire soccer field – 7 706m<sup>2</sup> of panels with a generating capacity of 1MW.

power draw during off-peak periods. Involving a refrigeration specialist would be a good idea in order to avoid any costly miscalculations.

#### **Heat recovery – a win-win solution**

Danfoss says that by installing a specialised heat recovery unit, a store could halve their

CO<sub>2</sub> footprint in five years. Harvesting excess heat from refrigeration units and freezers has been a somewhat disappointing process in the past, with stores in cooler climates able to take advantage of excess heat to warm their stores, but those in warmer climates have been limited to using it to heat water for the most part.





Up to **40%** energy saving with our Close the Case Glass Doors



## Ways to save

With energy costs rising and food retailers looking to improve the shopping 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 offset the cost of the doors. Up to 40% reduction in refrigeration requirement has been achieved.

## Benefits

- Reduced energy consumption
- Extended product shelf life
- Double glazed argon filled void for Better insulation
- Optimal product temperature
- Glass doors have optional mullion lights
- Handles included
- Up to 40% energy saving
- Solution for new cabinets or retro fitted on existing cabinets
- Doors are spring loaded
- Less cold air spillage - warmer aisles
- Proudly South African

## Aspects

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Thanks to intensive R&D, heat recovery solutions such as those from Danfoss can recycle up to 95% of a store's excess heat. Some stores have achieved savings of around 70% on heating costs and about 40% on electricity (Source: Danfoss Climate Solutions Technology). The technology has yielded a reduction in energy costs, and massive reductions in carbon footprints by approximately half, covering electricity, water, and heating.

### The heart of the system

Refrigeration plant technology has also improved in terms of energy efficiency. Insulated Structures says a hot water recovery system can be installed alongside systems such as multiplex refrigeration, miniplex refrigeration, and aqua loop water systems. Stores can reclaim hot water from the energy recovered, which is a great saving on geyser running costs.

Miniplex systems – a smaller version of the multiplex system – are best suited to smaller stores. It works on five evaporators with a single compressor and can yield up to 25% more energy savings compared to conventional systems. The miniplex system offers high energy efficiency and low environmental impact.

An aqua loop system replaces traditional compressors and refrigerant lines with a closed water loop. The system's continuous modulation, which ensures optimal operating conditions for each unit independently of one another, can achieve a 25% energy saving when compared to traditional systems. Two further benefits to moving



Visual courtesy of [www.walesonline.co.uk](http://www.walesonline.co.uk)

Supermarkets and FMCG wholesalers can spend up to 50% – 60% of their energy bill on refrigeration. Preventative and continuous maintenance is crucial to maintaining a certain level of efficiency. Knowing your system's baseline energy consumption is an important part of proactive maintenance. A blocked condenser in winter won't affect the overall effectiveness of your system, but it will erode its efficiency. In summer, that broken condenser could trip the entire system, necessitating potentially expensive repairs.

to an aqua loop system are easy installation and high-tech remote system monitoring.

There are also cost-friendly refurbishment options in terms of refrigeration systems and compressors that include investing in an A-grade second compressor system.

According to refrigeration technical specialists ROCS, "The simplex system is fast becoming the

most popular system to use during a phased revamp of an existing supermarket, as it is a single compressor unit coupled to a single cabinet or a short line-up." This keeps costs to a minimum as you can revamp one department at a time. Energy-saving components can also be fitted to the system, ensuring cost-savings for the system's lifespan.

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Multiplex refrigeration is a tried and tested system that works best when used to refrigerate a store's entire array of cabinets and cold/ freezer rooms. A multiplex system typically consists of a medium temp rack, with a number of compressors coupled together to run all cabinets and rooms from 0°C upwards, and a low temp rack for the cabinets and rooms below 0°C. The entire system shares a single gas line and is cooled using an expansion valve on the cabinet or blower coil. Multiplex systems result in more efficient energy consumption for larger stores and cold storage facilities.

But how do you choose a system that will produce the best results for your store, your customers, and the environment? Concord's Messenger says, "Every customer is different, and the location and conditions of the store will always play a significant part in the design of the unit. What works in an upmarket area will definitely not work in a rural area. Your refrigeration specialist should be able to provide you with the tools to help you make the best decision for your store's unique environment."

### Alternative power supply

Generators, whether diesel or petrol run, are here for the long haul. Many stores have already invested in these in order to keep their systems running when the lights (and fridges) go out due to loadshedding, and the cost of running them is offset by the reduction in food spoilage and lost revenue.



In a sunshine-rich country like South Africa, solar power also makes sense. Even with Eskom's proposed new tariffs, which many see as a punitive measure against the increase in solar power as an alternative energy provider, being able to go off-grid is tempting. While remaining off-grid during loadshedding requires an expensive set-up of inverters and lithium, or deep cycle lead-acid batteries to store and use solar or hybrid energy, this type of investment may be well worth the initial layout. Your batteries will need to be

replaced, solar panels will need to be cleaned and possibly replaced if damaged, battery charge meters must be monitored – converting to solar is not just an install and forget scenario. Ongoing maintenance and management are critical. You can avoid the need for a hefty capex outlay and instead pay only for the (cheaper) power produced by the system through a rent-to-own or power purchase agreement. As the technology develops and becomes more popular, the cost is dropping, but depending on your store's power needs and the size of your system, you could be looking at paying R5 million, R10 million, or even upwards of R25 million. You also need space, whether it be a nice flat roof or a large carpark, to accommodate the solar panels.

### Efficiency, sustainability, stability

“Finding the balance between energy efficiency, sustainability, and business stability is an energy manager or store owner's greatest challenge.”

Retrofitting, refurbishing, and new installations all come with their own costs and challenges, just as they each offer their own significant benefits. A cost versus savings analysis will be the determining factor, but with growing customer demand for accountability and green practices, and a global move towards eco-friendly and energy-saving legislation, change is inevitable. Energy efficiency and sustainability are critical for future-proofing your business.

# CASE CLOSED

## Energy Saving Solutions

Glacier Door Systems has introduced the Air Shield ('Close the Case') Glass Door retrofit solution for refrigerated supermarket display cases, as well as the Eco Leaf Replacement Glass Door for existing glass door freezer rooms and glass door freezer display cabinets. Both solutions guarantee energy-savings in an ever-increasing energy cost environment. Part of the well-established Universal Industries Group, Glacier has 26 years' experience and are acknowledged industry leaders in refrigeration door technology. Innovative and forward-thinking, the company is built on cutting-edge technology, technical expertise and a customer-centric approach.

## Air Shield Glass Doors

### Features and Benefits

- Double glazed glass doors with Argon gas fill for superior insulation.
- Glass durability and clarity with torsion bar for positive closing.
- Glass door heating option for high humidity environments.
- Glass doors available with hold open brackets and LED lighting options.
- Flex modelling means glass panels are customised to fit existing cabinets and are tailored to suit each store's specific environment.

**A quick and easy energy-saving retrofit solution, Air Shield Glass Doors can be fitted to any existing open refrigeration case, saving up to 40% on energy consumption.**



**Note:** The value proposal is based on R1.31 per kWh and 40% energy saving. These are averages based on our experience and can be validated per store.

### The value benefit

- High-quality locally manufactured solutions featuring the latest energy-saving technology.
- Demonstrated good pay back periods can be expected.
- Customised solutions to suit your store.
- ISO 9001 accredited factory.
- Safety toughened glass in accordance with SABS/SANS certification.
- Flexible installation timing to offset any customer disruption.
- Financing options available.

**You can trust a Glacier door**





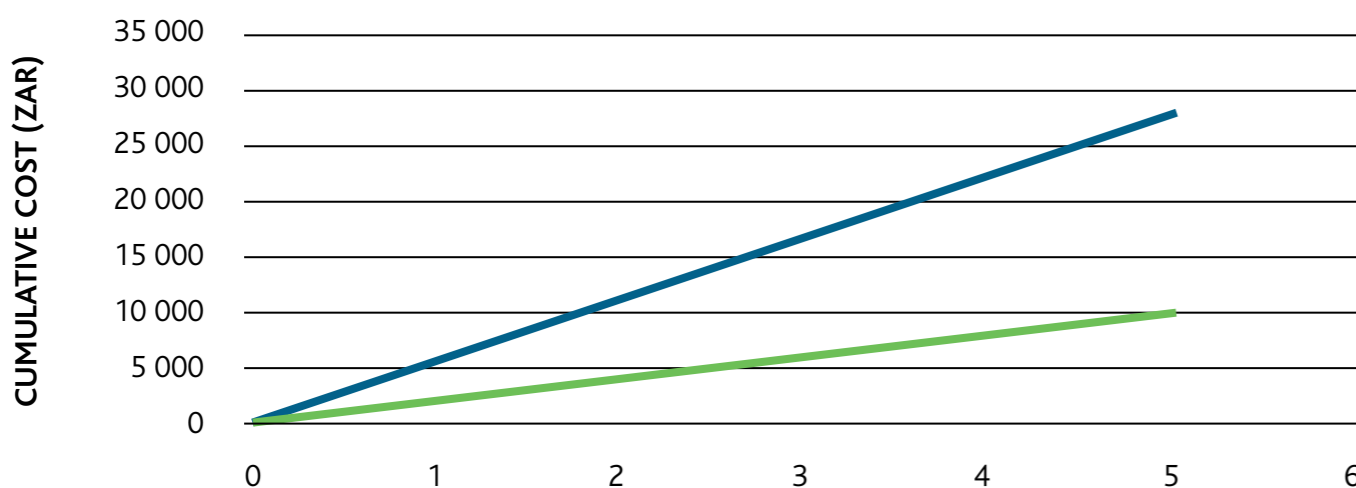
# CASE CLOSED

## Energy Saving Solutions

### Eco Leaf Freezer Doors

Designed as a 'swop-out', energy-saving replacement glass door utilising 220V technology that eliminates the need for voltage-reducing capacitors. This results in an amperage reduction from 1.29A on the standard door to 0.46A (64%) with the replacement Eco Leaf Door.

The Eco Leaf door is 64% more efficient than the standard door. The value proposal is based on R1.31 per kWh and 64% energy saving. These are averages based on our experience and can be validated per store.



	AMPS	VOLTS	WATTS
Glacier Eco Leaf Door	0,46	230	105.8
Glacier Standard Door	1,29	230	296.7

## A global move to natural refrigerants

South Africa is in the process of phasing out greenhouse refrigerants, and by 2024 new HCFC installations will be banned. All new systems will need to run on natural refrigerants such as R290 (propane), R600a (iso-butane), and R744 (CO<sub>2</sub>). CO<sub>2</sub> (R744) refrigerant is a sustainable, non-toxic, non-flammable refrigerant. It has no effect on global warming in case of leakage and it has Ozone Depletion Potential (ODP) 0 and Global Warming Potential (GWP) 1.

Another alternative is environmentally friendly propane (R290) gas. Propane is a natural refrigerant that does not affect the ozone layer or cause any environmental damage when emitted. It is non-toxic, ODP 0, GWP 3, and is up to 30% more energy efficient than HFC systems.

R290 and R600a are highly flammable, so their volumes are limited to 150 grams of refrigerant per system. Approval has been granted to increase the limit to 500 grams, but there is still some confusion over what units are affected and under what conditions the increase is deemed safe.

CO<sub>2</sub> is leading the way as the cleanest, safest, and most easily available option, and the advancements in this technology have seen massive improvements in both costs and efficiencies. According to Wayne Dedekind, SPAR Group Development Manager, "The latest trans-critical ejector systems show efficiencies 18% better than any previous HCFC plant."

Grant Laidlaw, past president of the South African Institute of Refrigeration and Air Condition-



ing (SAIRAC), and current owner of the Air Conditioning and Refrigeration Academy, wrote for HVACR online that "Propane is by no means a new refrigerant and has been used in refrigeration for many years. Currently, as the phase-out of refrigerants in accordance with the Montreal Protocol continues, and with the strong support natural refrigerants currently enjoy, we may well find ourselves with the following options: ammonia, carbon dioxide, iso-butane and propane." In terms of using propane refrigerants, he adds, "A propane chiller option can provide a practical route to both operational efficiency (to reduce electrical consumption), as well as lower direct emissions (from leaking or discharged refrigerant)."

With Europe embracing propane (a major UK supermarket chain recently converted to propane as their preferred refrigerant), thanks to its

excellent thermodynamic properties that lead to high energy efficiency), Laidlaw expects South Africa to follow suit. He says, "Propane has good compatibility with materials commonly used in the construction of refrigeration and air conditioning equipment and is relatively inexpensive. It can be stored and transported in steel cylinders in much the same way as other common refrigerants." Although its flammability does mean additional health and

safety rules will need to be followed, Laidlaw believes this is not outside the scope of existing technicians. "The current skills set for our technical personnel is in line with systems using propane. The only additional aspect will obviously be the flammability. This should be in line with the minimum requirements as laid down by the South African Refrigeration and Air Conditioning Contractor's Association (SARACCA). The various levels of registration of personnel working with refrigerants must include all of the aspects of the use of hydrocarbons, ammonia, carbon dioxide, and, in fact, all refrigerants," he concludes.

**Key learning:** With the rising cost and falling availability of older HCFC refrigerants, refurbishing, retrofitting, or replacing existing older units is an expensive operation that will however bear fruit in time.



# Environmentally Energy Efficient Future Proof Refrigeration Systems

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SCM Ref Africa, distributed through Metraclark supplied Natcool with a MWT SMKT BOOSTER CO2 transcritical system for Pick n' Pay in Randfontein.

The system supplied is a high efficiency 6 compressor MWT indoor Booster LT/MT unit.  
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# The best cabinet for the job

From uprights, jumbo islands and dual-service units to self-contained islands, classic gondola ends and multi-deck chillers, the choice of refrigeration and freezer units is extensive. Each style has its pros and cons, and the decision will rely on multiple factors: your merchandising requirements, your energy consumption goals, available space, foot traffic, shopper LSM, the type of products you are selling (for example, do you need island freezers for deep merchandising, or uprights for a more aesthetic look)?

**Upright cabinets** are commonly used in the butchery, dairy, and fruit and vegetable sections of supermarkets, and are designed to provide high product visibility, while also allowing for maximum use of the available floor area. Attractive displays lead to increased impulse buys, but the cascade cooling effect on open cases means you could lose up to 30% of your refrigerated air into the aisles.

**Island or chest style freezers** use a large amount of floor area for the amount of product they display, but they are able to be packed deeper than shelved upright freezers, making them excellent for stores that require large volumes of product to be displayed. Cold air can't rise to escape out of an island or chest cabinet without being actively disturbed, so products are therefore kept closer to the  $-18^{\circ}\text{C}$  to  $-21^{\circ}\text{C}$  range. The most efficient island freezers are those with glass top sliders.



Visual courtesy of Concord Refrigeration

Visual merchandising in the fresh produce refrigeration area contributes to impulse buys and browsing – doors in this instance may form a barrier between shopper and product. Each store is different though, and it's important to take customer-centric factors such as shopper numbers, congestion and ease of access to the display into account when deciding on the type of unit to install.

**High-low display cabinets or combination cabinets** combine a vertical cabinet with an island cabinet. These are useful in small stores where space is at a premium, as they allow for vertical product display, as well as bulkier

product storage in the bin below. Although often more expensive than upright or island units, their functionality and effective use of sales floor area make them especially useful for small-footprint stores.



**Low and deli display cabinets** are mainly used to display processed meats, unpackaged cheese, and confectionery products. These units are designed with a customer-facing curved or flat glass barrier, allowing full visibility of the product without the potential for contact contamination. Energy efficiency depends largely on the manufacturer of the cabinet, but they do offer comparable efficiencies to most upright display cabinets.

**Open or doorless cabinets and units** will, naturally, lose more cold air, and they will lose it faster than closed units. This means greater temperature fluctuations, shorter shelf-life for produce, and more work for the system as a whole. But even closed units come with challenges, as loading times can put pressure on a system not really designed to handle long periods of doors being left open. A self-closing option will help, although customers may still wedge the door open with a trolley and leave it standing open for longer than is good for your system.

### Retrofit or new?

In terms of retrofitting to optimise your refrigeration, reduce energy, and keep temperatures constant, fitting doors to your refrigeration and freezer units is a viable option.

The argument for closed units says that without doors, all your precious cold air is escaping, necessitating increased energy consumption from your refrigeration units, and making your aisles chilly, which means you're burning money on



Visual courtesy of Colcab: Spar Durbanville

heating your store as well. Closed units improve product shelf life by ensuring more reliable temperature stability. This in turn results in a reduced need for defrost cycles to remove ice from the refrigerator coils, as well as a more stable temperature inside the cabinet during these cycles.

Doors can also help stabilise temperatures during power outs, an important consideration for South African stores who are set to face increased loadshedding.

Globally the use of closed cabinets in new designs and through retrofitting has already become common practice.

### Getting the right fit between you and your suppliers

When it comes to choosing a supplier or manufacturer to retrofit or design your cabinetry, look for a company that understands your environmental

and energy needs, as well as your specific store requirements.

Colcab offers an integrated refrigeration energy solution that takes a multi-faceted approach to increasing your energy savings. New generation upright cabinets, close-the-door technology, and low-energy freezer doors and LED lights offer options for new designs as well as retrofits.

New generation upright cases are up to 30% more efficient than older generation units. Based on COP of

2.5 and R1.50 / kWh, a new generation 12' narrow upright could result in R6 300 less electricity per annum than a standard 12' upright lofty. Adding doors to standard 12' upright cases can result in energy savings of up to 60%, while island freezers can yield savings of up to 40%. Based on the same COP and price per kWh, a 12' upright could save up to R12 000 per annum. Keep in mind that these numbers are subject to change as prices fluctuate, and other factors such as staff, climate, and customer behaviour do play a part in potential energy savings. It should also be noted that retrofitting doors to cabinets may also require changes to the refrigeration plant itself to achieve optimal savings.

Walk into almost any Woolworths South Africa store and you will see the admittedly very attractive results of their energy-saving drive in the refrigeration department.



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Supplied by Colcab, the Woolies' upright fridge cabinets have been retrofitted with frameless acrylic doors. These doors are significantly lighter than glass and can reduce temperature fluctuations of the products contained within them to about 1°C (product temperatures in open cabinets can fluctuate by up to 5°C). The deciding factor, however, is the potential energy savings of up to 50%. Realistically this is more likely to be achieved at night, when doors aren't being opened and closed by customers and staff, but even during the day savings of up to 40% may be realised. Frameless acrylic doors are, however, not suitable for freezer units, as the extreme low temperatures require an airtight seal in most cases.

Scott Messenger of Concord Refrigeration says, "Installing PET doors, LED lights and energy efficient fans into a cabinet will have a huge impact on its energy consumption. The refrigeration specialist should be able to calculate the payback period from time of installation. For example, we recently carried out exercises for customers where the payback period for installing LED light and energy efficient fans into an existing store was between nine and 12 months." Messenger also notes the demand for more self-contained units, which he says is very much at the forefront of everyone's thought process.

Concord Refrigeration's environmental commitment is clear, with efficiency and sustainability at the forefront of their design ethos. Their custom refrigeration solutions are designed in line with international standards and take into



account the latest technological developments and advancements. They are passionate about developing and implementing energy-saving refrigeration technology, which has led to them being recognised as one of the market leaders in 'green' refrigeration manufacturing.

Insulated Structures provides an energy saving solution for their customers that includes a 'Close the Case' option. Retrofitting glass doors to upright

cabinets and lids to open island freezers is proven to improve compressor performance, increase product life, and reduce the cold air spillage into the aisles – which means a decreased need for in-store heating.

Glacier Door Systems offers specialist products, support, and advice, providing normal and low temperature doors with aluminium frames, as well as an edge-to-edge glass door with screen print border that creates a more modernised look and feel. Glacier offers two retrofit options for stores looking to decrease their energy consumption and increase their refrigeration and freezer efficiency. They also have a glass door retrofit solution for refrigerated supermarket display cases, and an eco-friendly replacement glass door for existing glass door freezer rooms and glass door freezer display cabinets for guaranteed energy-savings. **SR**

#### Sources:

Danfoss, *Why Energy efficiency is crucial for the future of Africa's supermarket trade*, Lynne McCarthy.

Danfoss, *Supermarkets are capable of heating stores with surplus energy from refrigeration units*, Lynne McCarthy. [www.refrigerationandaircon.co.za](http://www.refrigerationandaircon.co.za)



Ann-Baker Keulemans is a highly experienced business-to-business and business-to-consumer journalist and writer. She has been published in numerous print and online platforms, writing on topics related to business, lifestyle, and health, with extensive knowledge on the SA retail and wholesale landscape. She holds a Bachelor of Arts degree in English Literature (British and Commonwealth) and Media Studies and is a member of the Golden Key Honour Society. Contact Wilkins Ross Communications at [annbk@wilkinsross.co.za](mailto:annbk@wilkinsross.co.za).

# Staycold's pathway to net-zero emissions

Staycold International have just been acknowledged and included in the London-based Environmental Investigation Agency (EIA) publication: The Pathway to Net-Zero Cooling Product List. The product list has been designed to support and accelerate the race to zero emissions by 2050 and to demonstrate the feasibility of urgent action. Their HD1140-HC model is featured on this list as an example of their action.

This HD1140-HC cooler uses a Hydrocarbon refrigerant (R290) which is a net-zero compatible alternative to HFC-based systems. The cooler also features high energy efficient fans, Danfoss digital energy management device, Low E-Glass doors and ECOMate® Insulation foam, all of which further assists with reducing its carbon footprint.

The race to net-zero has stemmed from the climate emergency of global warming. In 2015, the Paris Agreement was drawn up, where countries and businesses alike have begun to plan their transition to net-zero emissions. This to keep global temperatures down and limit the warming to 1.5°C. To meet these goals it is recognised that global greenhouse gas emissions must decline to net-zero by 2050.



Specifically to the cooling industry, a Climate Action Pathway for Net-Zero Cooling was launched with a list of products. The products featured in this report offer a first step on the pathway to net-zero cooling. The list has been designed to support the transition and the feasibility of urgent action which Staycold supports as the emissions from commercial refrigeration have a huge climate impact.

For commercial refrigeration actions, the report highlights that manufactures should continue to keep driving energy efficiency of natural refrigerant-based cooling equipment. This is a two-fold approach, cooling products not only uses a huge amount of electricity (refrigeration, air-conditioning and heat pump equipment is estimated to consume 25-30% of global electricity), they also rely on super climate pollutant refrigerant gases including HFCs. There is an international agreement to phase out HFC's.

Staycold's R&D department works simultaneously on these two approaches. Adaptation of HC refrigerant, as well as constantly monitoring technological developments that could further reduce the

overall electrical consumption of their units. It is for this reason that Staycold cabinet owners often enjoy a 50% saving on energy costs than owners of competitor units.

Lena le Roux, Staycold's Managing Director, had the following to say: "We are extremely proud to be included on this international list as a South African manufacturer that has climate change in mind. We encourage end users also to play their role and choose units made by manufacturers, such as ourselves, who are on the race to net zero. Today being Earth Day, it is very fitting as our company supports the emerging public consciousness about the state of our planet."

The sustainable cooling database has listed Staycold International's HD1140-HC and can be found on this link <https://eia-international.org/report/pathway-to-net-zero-cooling-product-list/>

**About Staycold International**



Staycold is a leading South African manufacturer of self-contained commercial fridges

and freezers primarily for the beverage and hospitality industries. From its factory in Parys, the coolers are shipped world-wide, meeting the stringent business and quality requirements of many countries. Visit [www.staycold.co.za](http://www.staycold.co.za) or contact them on 056 819 8097.





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For more information on our products and how we are constantly striving to reduce their impact on the environment, please contact us on 056 819 8097 or by mail to [info@staycold.co.za](mailto:info@staycold.co.za)

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*Trust the Experience*

## FLM Waterfall Ridge

# Celebrating the value of good food

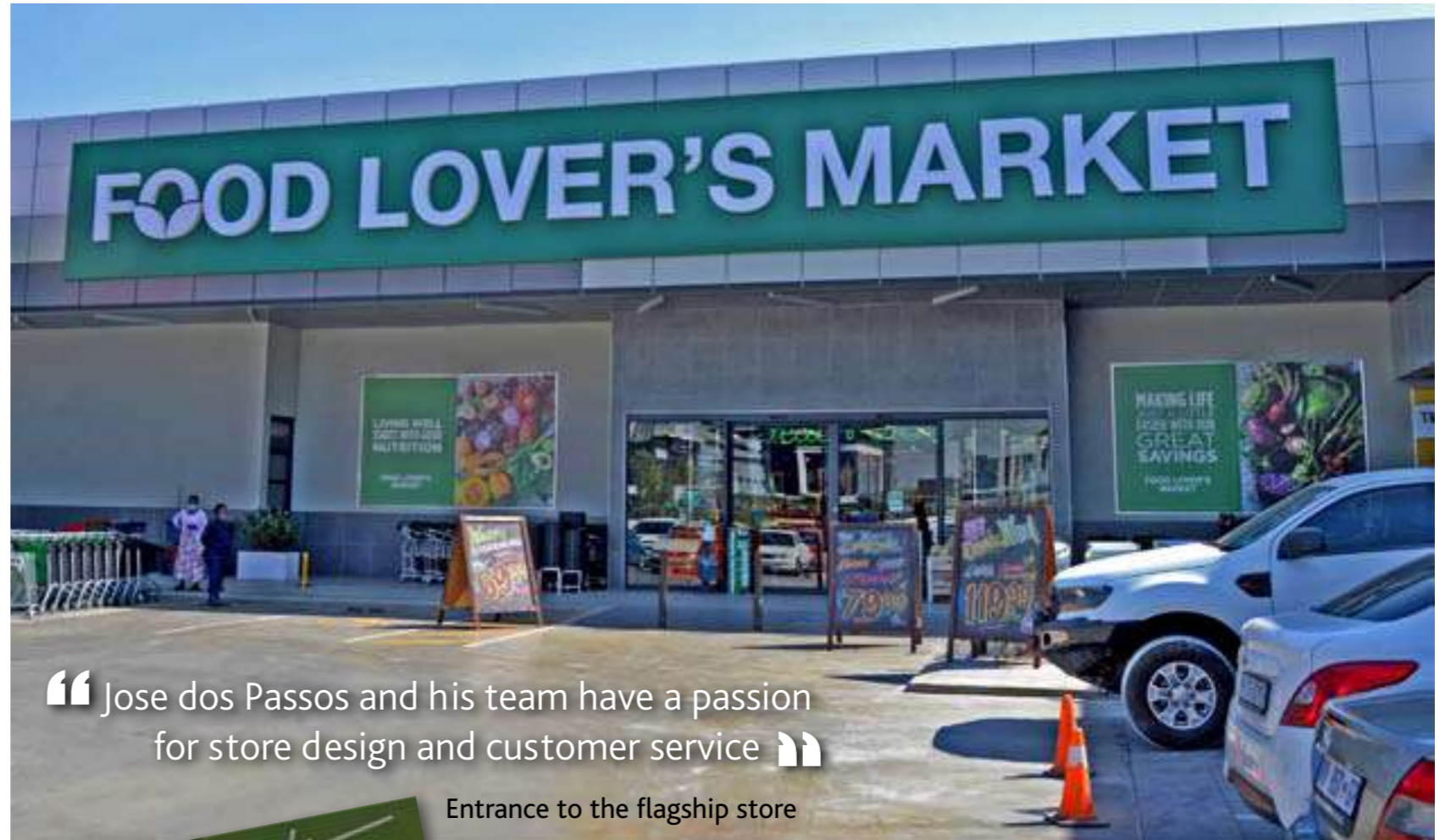


Jaime van Aswegen  
Staff writer  
Supermarket & Retailer

Waterfall Ridge Centre has recently welcomed the exquisite new Food Lovers Market to the Midrand area. Being perfectly situated to service the hustle and bustle of working employees around the centre, as well as the young families living in the nearby residential area.

Walking through this store, it is evident that Jose dos Passos and his team spent many hours ensuring this 2 500m<sup>2</sup> store is meticulously arranged to cover many needs for consumers. Jose has worked extensively within various divisions of retail and has built many businesses from the ground up. His passion for store design and customer service has turned him into a serial entrepreneur.

This store is equipped with smart, energy-saving lighting that highlights and keeps produce fresh. Alongside the lighting, FLM has also utilised an eco-friendly refrigeration system. Bold, clear signage amplifies the shopping experience for consumers.



“ Jose dos Passos and his team have a passion for store design and customer service ”

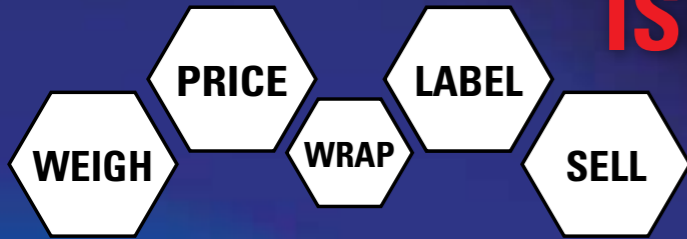
Entrance to the flagship store



Smart cross merchandising encourages shoppers to stock up for their weekend braais, while signs remind them that 'local is lekker'

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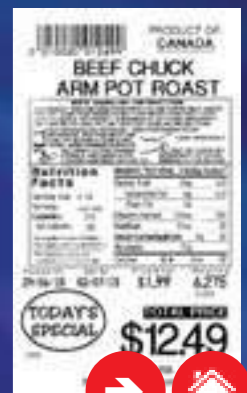
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The butchery division is outsourced to a qualified team of butchery experts, ensuring only the best quality meat is always available on the shelf. The biltong station offers a range of quality dried meat products that South Africans love the most. A wide range of sustainably sourced fresh and frozen fish caters to the seafood connoisseurs.

The fresh fruit, juice, and smoothie bar 'Fresh Society' offers a range of convenient prepacked fruit and allows consumers the opportunity to create custom smoothies for that fresh fruit fix. Freshly squeezed orange juice is readily available to provide the vitamin C boost needed for the winter season.

A dedicated foodservice section caters to a wide spectrum of ready-made meals (HMR) which include chicken, pizzas, pies, salad bar, and all in-between.

The 'Health and Happiness' area has self-service dispensers with health foods, such as nuts, seeds and various sweet offerings.

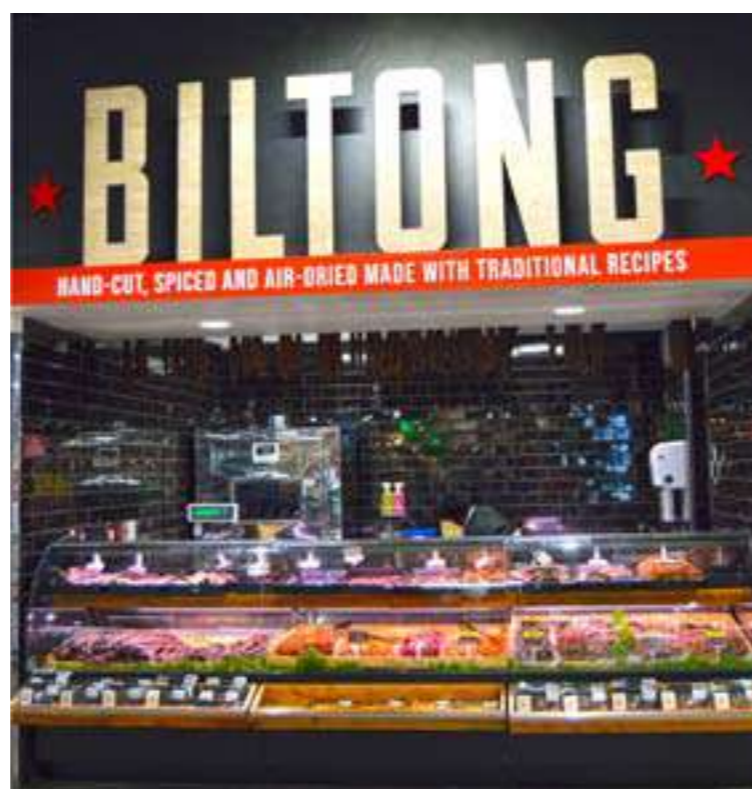
Smart cross-merchandising sees cheese and wine being a short stroll away from each other, essentially simplifying shopping in and around this flagship store.

Once all shopping has been completed, be sure to treat yourself to a steamy cappuccino or a light meal at the trendy street food 'Streatory' diner that has a delicious menu of freshly made food.



The great range of spices in this eye-catching display caters for many different cultures

*Below:* Signature range of meat is available in-store



Biltong – South Africans' favourite meaty snack



A wide view of the butchery area

Exciting displays emphasise the fresh theme with 'Famous fish straight off the hook'



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FLM is well known for their affordable olive oil



Crispy freshly fried chicken provides a quick meal to go



Shopping with ease. Smart cross merchandising in store sees all consumer braai items being readily available



Graffiti artwork gives the diner that trendy touch







The till area is conveniently widely spaced out, with pleasant staff to assist you



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# Changing trends and behaviour of the Kasi shopper

**T**ownship shoppers have increasingly benefitted from a huge range of shopping options, from the gleaming kasi malls with their retail tenants to retailers now present in kasi suburbs and even down to the growing informal retailers – spazette and spazas in every kasi street. The spaza sector continues to offer a better and better variety of brands at prices often on par with the formal retailer. So, the kasi shopper is spoilt for choice and is increasingly adapting her shopping behaviour to these offerings and for her convenience.

Starting with the kasi malls, these are increasingly about month start and end shopping visits. The visit to a mall at month start or end is generally a social visit, an experience, a family event where the shopper dresses up, and spends the best part of the day at the mall. The day starts with drawing cash at the ATM, then updating your apps on the free mall wifi, then the total ambit of shopping from the Shoprite or Pick n Pay to the Pep, paying for your DSTV, having a fast food meal, doing eye shopping (window shopping) and then the taxi ride home.

This mall experience is enjoyed, but characterised by a number of pain points which are increasingly dissuading the shopper from more frequent mall

“The informal business sector is the next great frontier of Africa and it is undergoing an economic revolution – a new world of small people doing big things, transforming the continent. Prepare for the Rise of the Informal Sector. Prepare for a KasiNomic Revolution.  GG Alcock, 2018



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visits. These pain points are the cost of transport to the mall and back, particularly when you consider it's not just one person, and considering a typical taxi fare is R15 per person one way. Then the mall is characterised by long queues at each point – taxi, ATM / bank, retailer, fast food – these are 1–2-hour queues at each point which are hated. Consider these are old grannies with sore knees, moms with babies, shoppers with bags of shopping. So what has happened is that shopping at malls is increasingly for smaller size or weight items, or more high value items with better prices at malls. The balance of shopping has shifted away from the mall. Mall owners and retailer owners would do well to resolve the crazy queues and general discomfort that shoppers experience at month end at these points.

Another interesting dynamic is the time of month end shopping trips. In the past the massive R20 billion a month social grants were paid on the last day of the month. Due to Covid, and in an attempt to lessen queues, the social grants are split from the 3rd or 4th of the month until the 7th or 8th. This has meant that often the malls are quiet at month end and the main shopping event is in the first or even second week/end of the month. Its important to consider this in promotions and special pricing which is often only at month end.

Outside of month end and start, the shopper now takes advantage of the local retail options and there is a strong trend towards local and neighbourhood shopping, driven by the experience of local shopping over lockdown, the inconvenience



“ The cost of transport and long queues are among a number of pain points which are increasingly dissuading the shopper from more frequent mall visits ”

and cost of public transport, but also the better formal and informal retail offerings that are available.

The impact on out of kasi shopping will be and already is seeing a move to local. Consider the Vukile Property Groups recent media: *Rural and 'township' shopping centres are bucking the retail trend. Smaller value centres, and malls located in*

*townships and around commuter routes, did much better, while recovery of urban centres lagged.*

There is an increasing use and preference by shoppers of local junction or high streets. In fact, high street shopping activity is growing rapidly, and, along with it, the presence of retail offerings on these high streets. The high streets in the kasi are those main arterials where the taxis routes

operate. Spazarettes are capitalising on this insight and are increasingly positioned on high streets or at key junctions. Retailers presence here is not as prevalent.

Shoppers now prefer shopping a local taxi ride, or even better, walking to their local retail outlet – whether this is a formal retailer or an informal supermarket, what I call a spazarette. Shopper baskets have sized appropriately with specific items such as 10kg's of rice or 5 litres of cooking oil being purchased locally and not in the month end shopping trip. This trend of local shopping particularly for staples and branded FMCG items at local and neighbourhood points is accelerating.

The growth of the spazarette has meant that kasi shoppers now benefit on a number of levels. The shopper can now get cheaper, or priced on par, branded products at the spazarette right down the road from their home. Shoppers are saving on transport, which can be a large part of shoppers' budgets, plus the spazarette will arrange an assistant with a wheelbarrow or cart to help transport home larger staple items.

“ Spazarettes give interest free credit at critical times of the month (*mamparra* week) when consumers have no money and would otherwise resort to loan sharks to afford food. ”

Add the inconvenience of public transport or carrying your heavy goods like bags of rice, maize meal, canned goods, litres of cooking oil and

“ Social grants are now split from the 3rd or 4th of the month until the 7th or 8th. This has meant that often the malls are quiet at month end and the main shopping event is in the first or even second week/end of the month. ”



suddenly the massive attraction and competitive advantage of the spazarette becomes irresistible.

In sectors like fruit and vegetables or bread there is a growing trend of buying from mobile traders moving street by street. The streets of the township today echo with the sound of old-style

bicycle horns, boop-booping vegetable sellers or bread sellers who walk street by street pushing trolleys loaded with fruit and vegetables selling right at your door. Reduced footfalls and closed ranks pushed these rank vegetable sellers to mobile offerings and consumers have become habituated by the convenience of this mobile at your door offering. It is a growing trend in kasi fast food and this trend will grow into other categories.

To survive, retailers and brand owners need to anticipate these trends and be where their shopper is, give consideration to ...

- What's your local strategy, presence or availability in high streets, kasi junctions and township residential neighbourhoods?
- Is your brand marketing local, are you present and visible at these neighbourhood and high street points at point of purchase?
- Your promotional plan needs to consider times of month for shopping dictated by social grant dates
- If you are in a mall, retailer or shopping centre, how are you improving shopper experiences – lessening queues, creating positive retail expectations and memories and attracting shoppers to your outlet as a destination which compares favourably to a local or informal retailer?

Shopper patterns and trends which were shifting towards local and neighbourhood or even delivery have been fast tracked by lockdown and related



fear of travel, plus shrinking family public transport budgets. Anticipate and prepare for these new trends.

The *KasiNomic Revolution* is a murmur in the streets, a grassroots economic rising which has grown organically despite government and business regulation, and which is the future of African economic activity. Are you going to be part of the KasiNomic Revolution? **SR**



GG Alcock is the author of *Third World Child: White Born Zulu Bred*, *KasiNomics: African Informal Economies and the People Who Inhabit Them*, and *KasiNomic Revolution: The Rise of African Informal Economies*.

He is the founder of Minanawe Marketing and is a specialist in informal & Kasi (township) economies, marketing and route to market strategies. Visit [www.ggalcock.com](http://www.ggalcock.com)



# The supply chain of the future is purpose-driven and supported by intelligent technology



By Amit Singh,  
Solution architect at AlphaCodes

The retail supply chain is large and complex, and constantly needs to adapt to meet changing demand from end consumers. The need for multi-channel fulfilment across online and in store adds to this complexity. Accurate demand forecasting is critical to every part of the chain, from manufacture to distribution to sales. However, this area is also hugely challenging, because a lack of visibility and siloed data inhibits insight and also negatively impacts operational efficiency. For retailers to maximise their bottom line, the supply chain needs to be fast, efficient and responsive, which requires the use of intelligent, integrated technology.

## Lack of visibility, lack of insight

Many retail enterprises struggle with data siloes from disparate systems and applications, which means that they have no single version of the truth from which to draw insight. Lack of integration between various technologies and numerous manual processes exacerbate this issue and accurate analytics and forecasting are challenging. Without visibility across the chain, manufacturing



and delivery are inefficient, which increases operating costs. This ultimately results in a negative customer experience, which impacts on customer satisfaction.

## An intelligent solution

Supply chain management software can help to resolve these challenges by managing transactions

end to end, from planning and sourcing to manufacturing, delivery and return. However, for a supply chain management solution to be effective, it needs to be purpose-driven. In other words, it should focus on improving processes to eliminate unproductive practices, as well as controlling production and delivering goods or services more efficiently.





Integration is a critical component of this, as it is essential to integrate data and processes across all supply chain functions, from beginning to end. This single source of truth can then be analysed to form the basis for demand forecasting and effective job scheduling, by providing a real-time view of resources being consumed as well as customer demand.

It also assists with sourcing, procurement management and supply of products and services across the value chain. Communication can be improved between vendors and suppliers with communication portals that offer real-time insight into purchase orders, payment, manufacturing status and more.

On the manufacturing side, an integrated solution delivers a complete picture of production output and productivity for more effective resource planning. From a delivery perspective, an integrated system assists retailers with a central repository of all delivery details for on-time services. Reverse logistics processes manage returns and rejections.

**Transformation is the key**

The Covid-19 pandemic acted as a catalyst, demonstrating just how fast the landscape can shift, and the ability to improve efficiency and leverage real-time insight from a single source of truth is critical. Digital transformation lies at the heart of intelligent supply chain solutions,

and integration is essential, because supply chain processes do not function in isolation. Improving visibility and unifying and streamlining business process, empowers faster and more accurate decision making.

This will enable retailers to take advantage of real-time supply chain planning, accurate forecasting and enhanced visibility into all areas for on time delivery. Visibility into transactions in real time improves both response time and efficiency. Greater accessibility and intelligent software offer a platform for automation, tightly integrated with other business functions to reduce errors. The end result is enhanced customer service and improved business relations with customers and suppliers. **SR**

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The following SAVA members have signed the voluntary Cling Film Compliance Initiative:

**The benefits are clear**

- Natural resource-based solution primarily made up of salt (40%) & vegetable oils (18%)
- Hygienic, flexible, cost-effective and safe
- High oxygen transmission rate, allowing produce to breathe naturally
- Helps to reduce food waste and improve shelf life
- Isolates food and protects flavour
- Versatile with superior cling, stretch and high strength
- Currently one of the most widely used materials for food storage
- A mechanism to collect and recycle a greater volume of PVC packaging (from households) is currently being developed as part of the Section 18 EPR scheme
- Food grade and is available in various thicknesses, widths and specifications



# Social e-commerce ramps up online sales



**Yvette Gengan**  
Digital strategist  
at The MediaShop

**C**ovid-19 has been one of the main reasons for digital transformation across many markets, particularly in the e-commerce space. As a subset of e-commerce, social e-commerce has seen some gains since 2020 with digital media giants enhancing their shopping capabilities in the digital space.

## What do we know about social e-comm so far?

“ We define social commerce to include products or services ordered by buying directly on the social platform or through clicking links on the social network that lead to the retailer’s product page with an immediate purchase option. ”

eMarketer

This includes Facebook Marketplace, Instagram Checkout, etc. (Social e-commerce 2021)

In the context of South Africa, 57.7% of internet users have purchased a product online (Hootsuite, We are social report: Jan 2021). As this number



What do we have to look forward to in the social e-comm space from some of the leaders in this space?

increases YOY (year on year), social media companies are upping their shopping games to take their share of this pie to increase revenue. As such, we can expect to see more media budget shifting into social commerce solutions over the next few years.

Platforms that have the scale and contextual relevance to drive product discovery will lead the race. In the U.S, Facebook and Instagram together with Pinterest have offered the best discovery experience and therefore lead in the social

e-commerce space. In SA, we see the same from Facebook and Instagram. However, we can expect similar offerings from the likes of Tik Tok and YouTube if their growth in the last year is anything to go by.

What do we have to look forward to in the social e-comm space from some of the leaders in this space?

We have seen the top platforms improve their e-commerce offerings from solutions like product catalogues on Facebook, on platform checkout





features on Instagram, Carousel ads on Twitter and even livestream shopping.

Facebook has been the leader in the category with most recently Facebook Shops, Instagram checkout and Facebook Marketplace. These features have been pivotal for digital native brands, who have primarily succeeded in this space. The platform has the scale and technology to offer some of the best ad solutions targeted at a seamless shopping experience from dynamic product ads, collaborative ads, instant experiences, carousel ads etc. With Facebook usage in South Africa so high, much of the product discovery

that happens across social platforms happens on Facebook, with Instagram a close second.

However, Facebook has some definite competition as other platforms continue to innovate for increased revenue.

There was news recently around Tik Tok planning to release e-commerce solutions within their ad formats. Tik Tok's growth globally has been astounding, so its a definite contender to Facebook. While not fully available in South Africa yet, the formats that are being looked at in other markets are collections ads, dynamic product ads, promo and showcase tiles. If you are a small and medium

business, there is value in starting on the platform to organically grow your following which can only help when such solutions become available in SA.

There has been so much conversation and hype around the social audio app Clubhouse. According to a Techcrunch article, the platform has launched payments to a small test group of creators which allows top creators to receive payments and donations from followers. Perhaps its a way to retain users on the platform with competitors like Facebook, Twitter and

LinkedIn adding similar audio features to their platforms. Nonetheless, they are rapidly evolving in the social commerce space to better the discovery experience for users.

Snapchat has a decent market size in South Africa with about 8 million users, particularly among the younger demographic. There are rumours of Snap integrating a fashion recommendation app called Screenshop onto its platform. The app will be able to recommend clothes to users based on photos that they upload and then facilitate the shopping of these items. Snapchat is known for its amazing AR lens technology so I think it is safe to

assume that we will soon see a unique shopping experience utilising their lenses. It's probably a while before we see this in South Africa, but Snapchat is one of the bigger social platforms also pushing to make headway in the social e-commerce space so it's definitely one to look out for.

Apple's IOS update and Google's third party "cookie apocalypse" will be the contributing factors in accelerating social e-commerce activities. On-platform checkouts will become the norm in the next few years as retail brands strive to continue tracking and measuring their consumer journey and actions. It is vital that any retail business that is not in the e-commerce space begin this process.

Lastly, another trend on the increase is livestream shopping. For those of us who are like fine wine (aged) you will remember the TV shopping channel where you could see a product being advertised and purchase by calling the toll-free number (but that's not all!).

In many markets around the world, TV shopping is still very in demand and works really well. However, with the increase in time spent on digital platforms, we are seeing this behaviour make its way into the digital space, giving room for 'livestreaming shopping'.

The most popular livestreaming shopping platforms are Facebook and Instagram. Facebook allows retailers to sell products through live

shopping. This feature integrates with Facebook's Shop. Instagram allows the same whereby businesses and creators can tag products when they go live.

"Before going Live, you can add up to 30 products to a collection to showcase and you can pin one item at a time while Live to feature that product. Only products that have been approved can be added to live videos." (facebook.com/Instagram)

I am excited to see how these trends roll out over the next year and even more curious to see how our ever-changing consumer behaviour continues to fuel so much of the innovation we are seeing today. **SR**

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# Engage existing retail customers with these 4 strategies



Greg Gatherer  
Account manager at Liferay

In today's competitive world, brand loyalty is no longer a guarantee for digital businesses. Customers are increasingly making purchases based on the experience that companies offer, rather than on the products or the prices. This means that customer experience has become a major differentiator for digital businesses.

Companies must find innovative ways to distinguish their offerings through the entire customer lifecycle, including later stages that still have untapped opportunities for engagement.

## Customer experience doesn't end after purchase

People have grown accustomed to doing their own research on products before engaging with a brand. Key findings from a Gartner customer experience survey show that 82% of smartphone users consult their phones before they make a purchase in-store. This means that the opportunities a company has to influence customers in the early stages of the customer lifecycle are being cut down.



But there are still ample opportunities to reach out to new customers post-purchase and continue to engage them as a way of preparing them for the next purchase with your company. Research has shown that existing customers are both easier to sell to and more profitable than new customers.

Rather than focusing on narrowing opportunities to influence new customers, businesses should find ways to nurture their existing customers, ultimately turning them into advocates that will come back to purchase again and again.

## Changes in customer loyalty

If existing customers are so profitable, why do businesses neglect them in favor of new customers? Often, the answer comes down to the changing nature of customer loyalty and how difficult it is to turn people into repeat customers.

Companies used to be able to develop lifelong brand loyalty in their customers through big campaigns or traditional loyalty programs. The idea of lifelong brand fans meant that loyalty was defined as buying solely from that brand – like a staunch supporter of Coca-Cola that refused to drink Pepsi.

Now, it is incredibly easy for customers to switch brands, and they don't hesitate to exert that right. Millennials will cite anything from poor customer experience to feeling that a brand no longer fits their identity as reasons for moving on from a previously favorite brand. Experiences are what earn customers' loyalty today, and businesses will need to adjust their strategies in order to account for this reality. The more information and differentiators companies are able to offer with their experiences, the more loyal customers will be.

These four strategies will help you focus your efforts on engaging your existing customers in a way that creates loyalty for your brand.





# How South Africans are coping with the increase in the cost of living

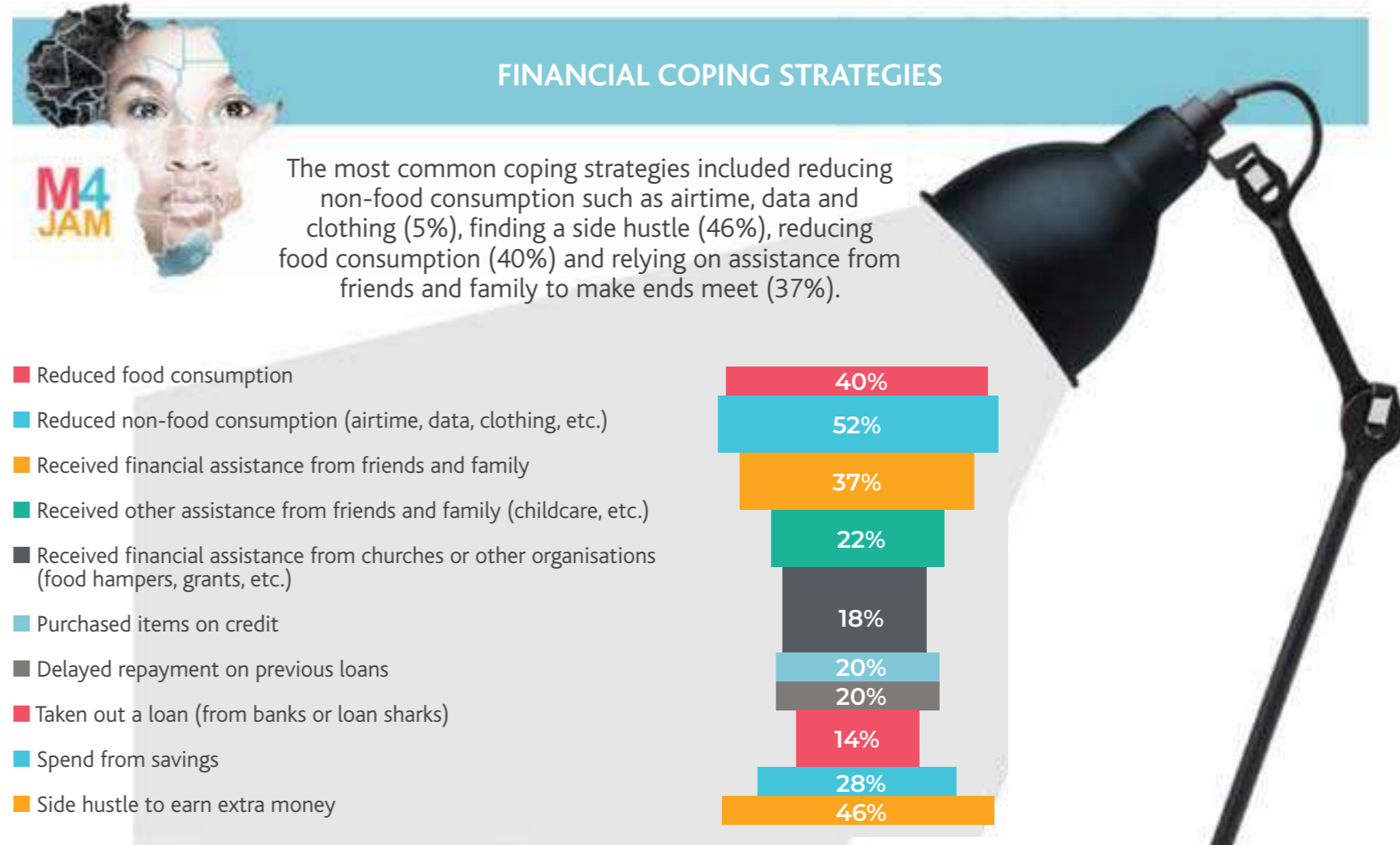
After a full year of battling the Covid-19 pandemic, the cost of living for South Africans has become an issue that is as pressing as the country's need for vaccination rollout. For many, who have either lost regular work as a result of lockdown restrictions and social distancing or cannot find work thanks to economic devastation, rising costs are threatening their survival.

A survey run by gig technology company, M4Jam has found that those with little to no regular household income are finding it harder to get by in 2021. 86% of survey respondents – from among M4Jam's registered jobbers, who contract for temporary and short-term work via the platform – were aged 18-34, with 20% earning no regular household income from the formal economy.

72% of those who took the survey were from households with monthly income up to R25 600, while 36% had no personal income and 77% earned up to R12 800 personally.

The survey responses paint a worrying picture of affordability for the millions of South Africans being pushed toward the poverty line by a pandemic that has forced the closure of businesses by the hundreds.

"Most of the qualitative feedback from our jobbers pointed to personal financial crises which



*Disclaimer: The findings presented here summarise the results of an informal and non-scientific survey conducted by M4Jam, which was completed by 1 000 jobbers. This information is NOT intended as a substitute for formal research conducted by the South African Government or any council thereof.*

reflect an economy which was technically in recession even before Covid-19 made its presence felt," says M4Jam CEO Georgie Midgley.

"While we are pleased to be in a position to help some South Africans find work via our tech

platform, the reality is that the availability of work in our economy is insufficient to make a meaningful dent in the unemployment rate. We can only hope for an acceleration in the rollout of vaccines both locally and abroad, and a swift end to

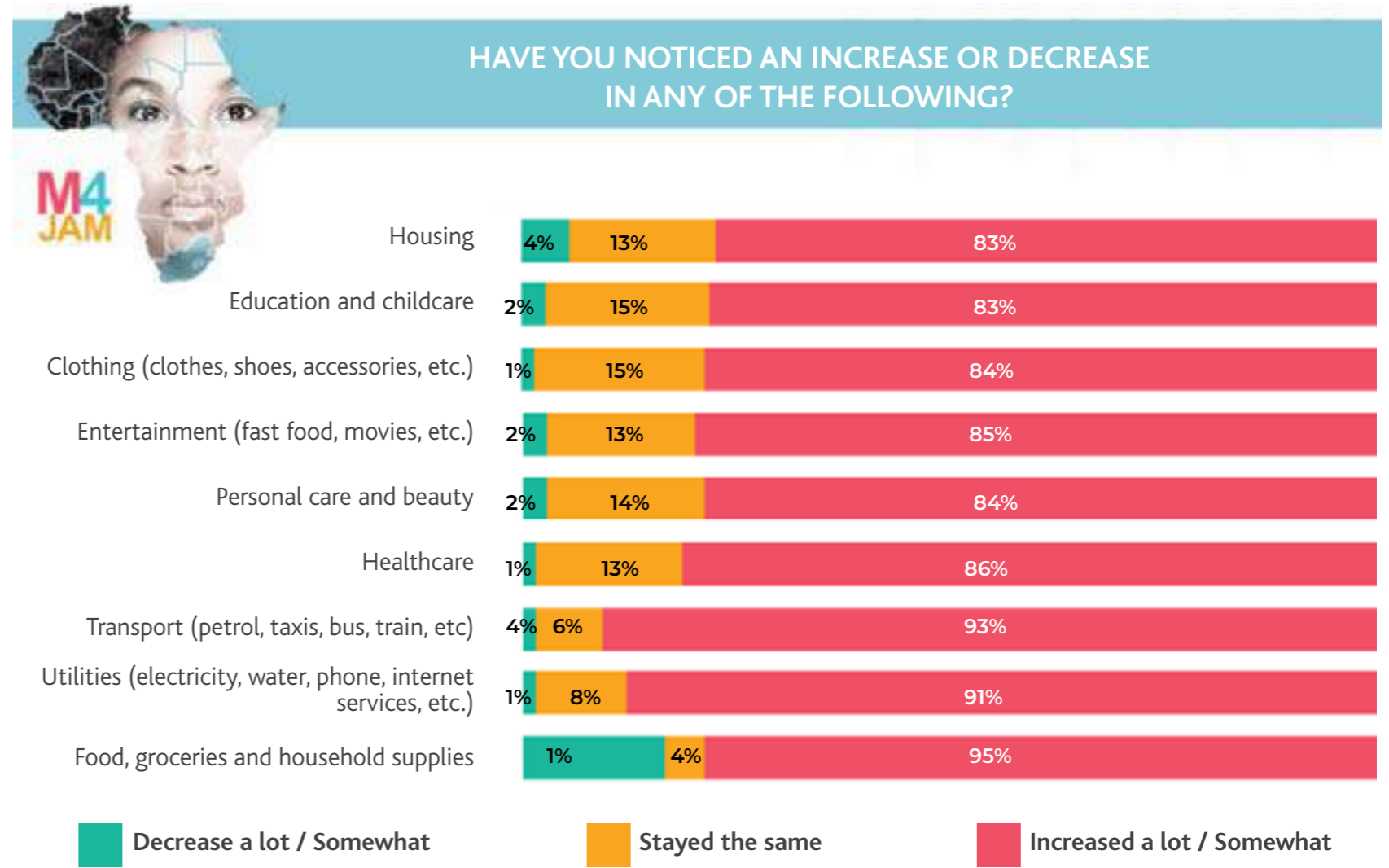
economically devastating restrictions on business.”

The graphic on the right shows the respondents replies when asked about any noticeable increases or decreases in the cost of living.

Weighing up salary or earnings increases against rising costs, 26% said their earnings had remained static, while 33% saw their monthly earnings reduce and 42% received an increase. 30% of respondents were breadwinners, while 70% either relied on a partner in their household to contribute toward costs or had no income. 81% of respondents said that before Covid-19 they were able to save some money monthly. What is interesting to note is that of those who managed to save, 86% were aged 18-34.

Calculating how much the cost of household essentials like food, utilities and transport had grown since the onset of Covid-19, 32% of respondents said their monthly costs had risen by up to R800, while 17% had watched their monthly costs rise between R800 and R2 000. 10% said their spending on essentials had inflated by more than R2 000 per month.

84% said they had cut down spending on essential items like groceries, healthcare services and beauty products in order to get by, while 93% had cut back on non-essential items like fast food and alcohol. The most common coping strategies included reducing non-food consumption such as airtime, data and clothing (52%), finding a side hustle (46%), reducing food consumption (40%) and relying on assistance from friends and family to make ends meet (37%).



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Purchasing items on credit, extending payment terms, taking loans and accepting help from charitable organisations like churches were other ways South Africans were staying solvent. 47% said they had turned to platforms like M4Jam in attempts to find alternative income streams, while 25% had managed to keep their jobs, 12% lost their jobs and have been unable to find new ones, 7% lost their jobs and found others and 9% do not intend finding jobs in the formal sector – instead, relying on various side hustles to keep going.

“One positive aspect of the Covid-19 pandemic

is that we have seen a will to help from all quarters of the economy and the country. Opportunities are being created wherever possible and charitable organisations have done incredible work in helping to stave off poverty,” says Midgley. **SR**

**About M4Jam**

M4Jam is a Gig technology company that connects organisations to communities through its mobile platform which enables businesses to quickly and cost-effectively evaluate, activate and optimise new or existing markets, even in the hardest to reach informal communities. M4jam has been an award winner in the World Summit Awards in 2020 and 2021.

E: [angelam@m4jam.com](mailto:angelam@m4jam.com) | <https://www.m4jam.com>

