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**Service people who  
have perfected the art  
of ignoring you!**

**Store design:  
If you fail to plan,  
you plan to fail!**

**Global staples,  
maize & rice, take  
centre stage in  
South Africa**

**The challenge of  
accelerated change  
... Retail automation &  
payment solutions**





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## FEATURES

### Retail automation & payment solutions



Jeanne-Riëtte Martins writes about rising to the challenge of accelerated change. Retail

automation is reshaping FMCG business models, as margin pressure is mounting, driven by more competition, investment in e-commerce and pressure to increase wages. These cost pressures are not new, but many retailers have exhausted traditional cost-reduction mechanisms.

### Maize & rice insights

According to Ann-Baker Keulemans, global staples take centre stage in South Africa. Rice and maize comprise two of the top three food crops, with wheat rounding out the triumvirate. It's safe to say these two staple foods are big business.



### Store design

Whether it is a revamp or a new build, Calvyn Morris says this may be a very daunting task for any store owner to undertake. If you fail to plan, you plan to fail! Not only is there a huge financial outlay, but many more hidden factors to consider.



### Storewatch: The informal sector



GG Alcock writes that Kasi online retail is the new kasinomic revolution. Along came the first lockdown and many vibey kasi businesses

came to a crashing halt. As the lockdown eased, takeaway food was allowed. These kasi kos outlets, pivoted quickly put their delicious nyama menus on Facebook, with a WhatsApp link inviting people to WhatsApp their order and send a pin location and they would deliver. Orders poured in.

### Storewatch: ICC Lifestyle



Jaime van Aswegen visits this store in the quaint area of Tshwane. She says the revamp lives up to the Lifestyle slogan ... *Your style, Your store!*

## COLUMNS

### Delight your customers



Aki Kalliatakis wonders what happens between the ages of six and sixty-three? How is it that most adults lose

the enthusiasm of the young? Some service people seem to have perfected the art of mostly completely ignoring you!

## NEWS

### Court judgment

Constitutional Court decision on the Clicks Retailers (Pty) Ltd v CSARS case has implications for all loyalty programme providers. As a result, loyalty programme future expenditure will be claimable only if the obligation for such expenses is imposed in the same income-producing contract.

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# Investing in the right solutions can increase your ROI



**Helen Maister**

One of the great South African tax and investment incentives is in its final window period. 30 June 2021 is the last day (as per the nation treasury sunset clause) that you/company/trust can invest your pre-tax earnings in a section 12J fund for an immediate tax reduction. Investment limits are up to R2.5m for an individual or trust and up to R5m for a company.

This incentive helped stimulate investment in South African products and services by South African tax payers, which meant many billions of Rands stayed in the country and have been invested in the brightest prospects for our future, not to mention the absolute minimum return of 8%/annum over a 5-year period – that would be the tax saving, not even the returns on the fund itself

What has this got to do with retail? Many of the venture capital went to SAAS (Software as a Service) enterprises and industries adjacent to the retail industry such as connectivity, solar energy and eco- and agri-economy.

Payment solutions and automation have been at the heart of investment for the past 12 years through the section 12J funds

Retail automation is reshaping FMCG business models, as margin pressure is mounting, driven by more competition, investment in e-commerce and pressure to increase wages.

You will know very well that these cost pressures are not new, but many retailers have exhausted traditional cost-reduction mechanisms.

As it becomes more difficult to pass on costs to your consumers in this highly competitive environment, automation has become a necessity for retailers who need to reinforce and increase their margins. In addition, the bottlenecks to retail automation are internal – and that retailers who have not yet jumped at implementing automation are falling behind.

Retail automation and payment solutions go hand-in-hand, with the customer's experience at the centre. Having payment solutions that allow your customers to conclude a transaction quickly and securely is vital, and effective payment solutions that provide individualised options have become an important differentiator for retailers

Maize has long been one of the staple foods of South Africa, and rice has always been a mainstay of traditional African dishes. Rice has universal appeal and is part and parcel of grocery cupboards across the LSM spectrum in this country. Globally, rice and maize comprise two of the top three food crops, according to Ricepedia, with wheat rounding out this powerhouse. It's safe to say these two staple foods are big business.

Our 'Store-Watch' is on the new ICC Lifestyle store in Wonderboom. A special thanks to Manny Gouveia, GM of ICC and Diane for showing us how operators operate!!

GG Alcock writes about kasi retail. The business traumas suffered by this sector in the first lockdown was the spark that brought about a new kasinomic revolution – their innovative switch to online retail!

Aki Kalliatakis is delighting customers with his article "Pick me!" He asks, what occurs to us when we become adults? Why do we lose the enthusiasm of the young?

*Helen Maister*

**Helen Maister**





# Please... pick me!

Aki Kalliatakis

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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.

**D**o you remember when you were still a little kid at school and the teacher asked the class a question? And do you remember that immediately a whole bunch of hands enthusiastically went up, and the kids who knew the answer clicked their fingers and almost begged to be picked? "Pick me, Miss. Pick me, please!" was the chorus.

I don't know what happens between the ages of six and sixty-three, but have you noticed how most adults lose that enthusiasm?

In most businesses where customers wait to be served, I swear it seems to me that some service people have great tactics for ignoring you. They seem to have perfected it to an art, and it mostly involves completely ignoring you. But they



can't be obvious about it, or they know you will become very angry, so they kind of pretend that there is something else occupying them, and look everywhere else except at you personally. It doesn't matter if there are five of them and only one of you, it's like a game – to see who can avoid the customer best.

But I have a dream that one day I will walk into your business (or my bank, or a restaurant) and, instead of someone occasionally shouting, "Next!" or hearing that infuriating pre-recorded voice that

says, "Next customer please," there will be a bunch of people fighting about who is going to serve me. "Pick me! Pick me! Don't go to her! I'm the best one here!" But being the world's greatest optimist, I still hope for a miracle, but if it does happen I will probably get a heart attack.

You see, these days, doing what we did last year is just not enough. If you are old enough, you will remember when the first bank manager arranged a few poles and a rope, and served customers in turn without them having to pick a queue. It was

“What happens between the ages of six and sixty-three? How most adults lose that enthusiasm of the young?”

Some service people seem to have perfected the art of mostly completely ignoring you!





delightful! “Wow! They aren’t going to serve some other customer who came in after me! I don’t have to wonder or try to figure out which queue will be the fastest.”

Today, of course, we all take this for granted and, in fact, we tend to get really irritated when we don’t see this simple system in place.

But I’m not just talking about queues in this post, I’m talking about all customer touch points, including call centres and even digital marketing channels, where we can treat our customers with that same enthusiasm of those children, where we respond to them in a way which surprises and delights them.

Let’s illustrate what I mean with some examples: With the regular power failures that we experience, many businesses instruct staff that the first thing they do is immediately shut the doors to stop customers from stealing stuff. In some cases, they are unable to help you because there is no back-up plan, and you have to dump your stuff without paying because the tills aren’t working.

Not at the all retailers. At one store in St. Francis Bay, the first thing that happened when the power failed was that every employee grabbed a high-visibility reflective waistcoat and a torch – and then walked customers individually through the store working through the shopping list and helping the customers find what they need. They then escorted them politely to the tills for payment and moved on to help the next customer.

And just to show that it’s not a fluke, I have heard so many good stories about that retail chain



recently. I heard of a woman who said she liked cherry and apple pie, and so now they make one especially for her every Friday. It’s become a best seller apparently, because now other customers are also buying it.

And how about the little old lady who broke her walking stick in the store in Harrismith? The manager went out to the luggage shop and bought her a new one – even if it wasn’t their fault, and it had nothing to do with them.

But my favourite was about someone who ordered a special birthday cake for her daughter, and she – the customer – didn’t write the name clearly on the special form that gets filled in. (She was in a rush, she claims.) When she saw ‘their’ mistake about 30 minutes before the party was due to start, she telephoned the manager in a huff. So he did what any good retail manager would do... he immediately drove to her house

“I heard of a woman who said she liked cherry and apple pie, and so now the retail store makes one especially for her every Friday. It’s become a best seller apparently, because now other customers are also buying it.”

with the confectionery assistant, and they redid all the icing on the cake with the correct spelling – at no charge. When they showed her the form she had completed, she was so embarrassed.

“But,” she told me, “You know what the best was? He made me feel so good about it because he told me that he also has terrible writing, makes mistakes like this all the time, and he was just happy he could help!” A really great example of the enthusiasm that kids show.

A final story. A few months before lockdown, I was lucky enough to be in a beautiful hotel and conference centre in Cape Town. I was due to start my presentation and, about three minutes before the conference was due to start, while chatting to the delegates and their CEO, I suddenly remembered I’d left my course handouts in a box in my room on the 18th floor. I had about three seconds of calmness, panicked, and then excused





“ I’m talking about all customer touch points, including call centres and even digital marketing channels, where we can treat our customers with that same enthusiasm of those children. ”

myself from the conversation, explaining what I had just done. A part-time waiter from the coffee station heard this, and he said, “May I get your box from your room so that you don’t have to miss the start?” I was so relieved because it would have made me look so stupid arriving late or starting without presentation notes, and I gave him my room card. Ten minutes later he slipped in from one of the side doors and dropped the box next to my seat without a word, but with a flashing smile.

Looking after your customers doesn’t have to be a drag. In fact, I’d suggest that when you do something nice for them, it also improves the quality of your life, and you get to sleep better at night. I know I’ve got lots of little guardian angels

in my life as a customer – people who help me when I need it most, people who respond with that same energy and enthusiasm of children wanting to be the first to answer the teacher’s question.

**The question is: Are you one of them?  
Do you urgently shout out ...**

**“Pick me, please!”**  
SR



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# 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**





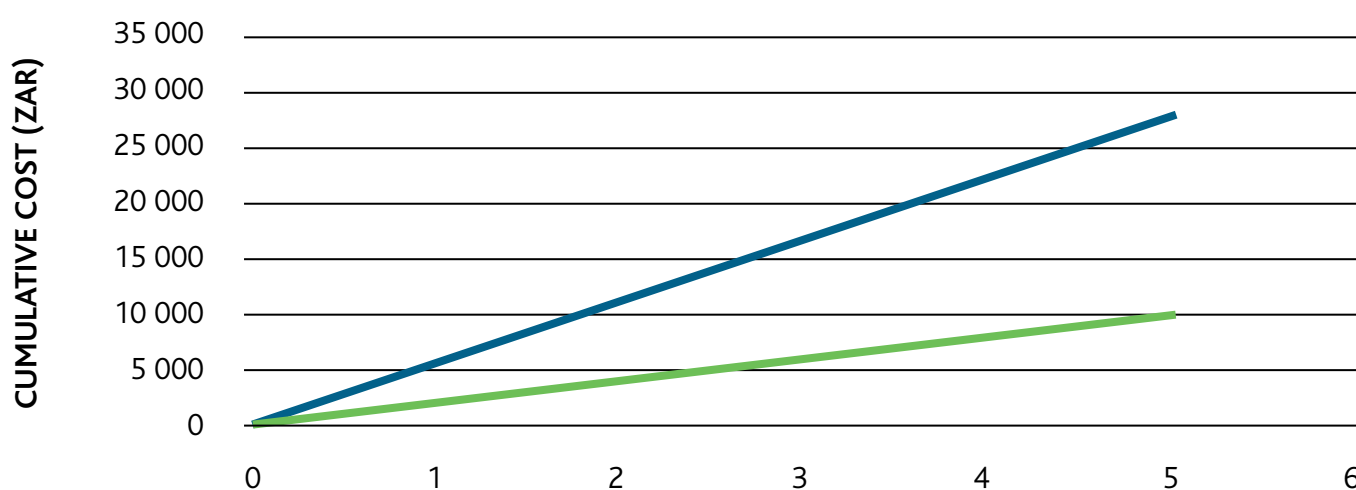
# CASE CLOSED

## 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



# Rising to the challenge of accelerated change

According to a report from McKinsey & Company, retail automation is reshaping FMCG business models, as margin pressure is mounting, driven by more competition, investment in e-commerce and pressure to increase wages. You will know very well that these cost pressures are not new, but many retailers have exhausted traditional cost-reduction mechanisms.

As it becomes more difficult to pass on costs to your consumers in this highly competitive environment, automation has become a necessity for retailers who need to reinforce and increase their margins.

In addition, the McKinsey report shows that most of the bottlenecks to retail automation are internal – and that retailers who have not yet jumped at implementing automation are falling behind.

Retail automation and payment solutions go hand-in-hand, with the customer's experience at the centre. Having payment solutions that allow your customers to conclude a transaction quickly and securely is vital, and effective payment solutions that provide individualised options have become an important differentiator for retailers.



The future of retail is automated: retail automation and payment solutions go hand-in-hand, with the customer's experience at the centre. iStock by Getty Images

## *Automated manual processes*

If you are still relying on manual methods for repetitive tasks such as inventory management, reporting and analysis, accounting and other workflow processes, automation can provide you with increased accuracy that eliminates human error. The premise is that automation doesn't necessarily replace the human function,

but serves to ramp up the efficiency and speed of monotonous, manual tasks, in turn allowing human resources to be adapted and utilised in more effective ways.

For example, you may be using a 'good-enough' spreadsheet system to manage your inventory and track stock on hand. Implementing a suitable automated solution will help you to minimise risk,

## **There is no doubt – the future of retail is automated**

In the current landscape of retail automation, there are various options available to you, whether in stores, distribution centres, warehousing, or supply chains. These systems and technologies require an upfront investment in time and money, but you will reap the benefits in areas such as:





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while synchronising your inventory and processing of orders across sales channels. The system modifies stock statuses each time an order is completed.

Automated inventory management systems offer the benefit of reliability, and features tools for strategic decision-making in the form of updated stock counts and inventory replenishment.

In a warehouse setting, a global research study by Zebra Technologies stated the following ...

“Workers already use

handheld devices to read barcodes and radio-frequency identification tags (RFID). Drones inspect labels and inventory counts, minimising workplace injuries.

Picking, sorting, and packing are also seeing a digital transformation, with assisted and augmented-reality technologies providing visual cues to workers.

And this is just the beginning. ”

Arch Retail is one such solution offered by Arch Software, which integrates in-store business processes into a single centralised system.

David Geldenhuys, Marketing Executive Officer, Arch Software, says “The power of automation is further enhanced by integration of in-store operational processes, which improves efficiency and ultimately profitability.

A good example is Arch Mobile, integrated into Arch Retail, the in-store management system. Arch Mobile allows on-the-floor access to operational



Image courtesy of Arch Software

A successful store solution provides you with more than a speedy check-out process – it provides operational order and discipline and ensures that customer shopping expectations are met.

information, by scanning a product on the shelf. Stock enquiries, sales enquiries, shelf label printing, price changes and stock picking, can all be done while walking the aisles.”

### *Automated retail marketing*

The need to consistently promote your business and keep up with marketing strategies can be overwhelming, but technology allows you to easily send out tailored data - and behaviour-driven offers and communications to your customers.

Through this kind of automation, you not only drive promotions, but build that all-important

trust – and improve customer retention. Loyalty-building marketing automation includes engaging your customers via email. Sending welcome emails or special personalised offers creates value and relevance for customers. In addition to this, you are able to send automatic requests for customer reviews after they’ve made a purchase or visited your store. With targeted emails, you can nurture customer leads with content, which is thoughtfully curated based on their interactions with your store, maximising conversions as well as loyalty.

Engaging your customers on social media is essential for retailers of any size. Marketing



automation makes it far easier to package and promote your retail brand via social media, while integrating your brand message into campaigns across all your marketing activities. In addition, social media marketing automation allows you to create a consistent experience of your brand across various platforms.

It also analyses content to let you know what works, giving you the option to test and adjust your messaging where necessary. You can send welcome messages, DMs, adverts and website links, and schedule valuable content to consistently remain front and centre in the minds of your customers.

### Overcoming the hurdles

*What are the challenges that retailers face in implementing retail automation?*

Broll Property Intel's latest report titled *The Evolution of Retail* highlights some of the changing retail, consumer and technology trends in the South African setting, which is among the most competitive globally. The report examines where retailers are constantly seeking out opportunities that will bolster market share and customer retention.

Elaine Wilson, Director of Broll Property Intel is quoted as saying that new offerings within centres, new retailer products and unique experiences for customers are vital to attract market share. The retail market is changing and evolving at a rapid pace, with innovation being one of the key success factors to survival.



## How is automation changing the face of retail in South Africa?

Customer loyalty and retention is a key goal for retailers and part of achieving this is responding to customer expectations by providing new solutions. Wendell Trican, Technical Solution Expert-Retail for Bizerba says, "Some of these trends include seamless omni-channel shopping; technology-driven brick and mortar stores; advanced analytics for personalised experiences; and sustainability. In addition, 2020 was a year that changed the way customers purchase in retail, with the global pandemic not only changing customer preferences but also enhancing the drive towards innovative shopping experiences. To be able to accommodate these changes and to operate and generate seamless experiences, retailers had to adapt to other methods of selling goods. This is where automation has played an essential role."

As automation increasingly drives change in retail, Bizerba has channelled more into becoming a software-driven company for weighing, slicing, and labelling technology. This brings innovations such as object recognition and in-store ordering solutions to the retail industry, especially in-store

butcheries, fresh produce, and other areas where weighing and scales play such a vital role. "Scales that offer object recognition provide customers and store assistants with a no-touch solution, which has become much more important to consumers since the beginning of the Covid-19 pandemic," says Trican.

The advancement of cloud technology, centralised price data, BB (best before) dates, allergens, and more means that the latest in automation technology has virtually limitless potential when it comes to weighing, scales and food production equipment. With access to various applications, tools and reports, foodservice operations, for example, can determine optimal production levels by analysing both waste and lost sales.

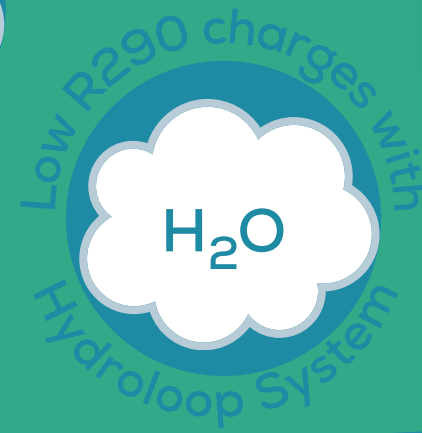
Trican advises retailers to listen to their customers and data collected from their environment and equipment: "By establishing a solid customer-platform and by utilising and analysing the data received, retailers are empowered to make the right decisions that enable them to provide relevant automation solutions to their shoppers."



# RE/THINK

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Manager of the Springbok SuperSpar in Springs, Miguel Jorge, explains that being part of an organisation such as Spar is helpful in that the group is always looking for ways to keep retailers from falling behind the competition, as information about improved automated offerings becomes available. With regards to making the change, he says ...

“Of course, cost will be a deciding factor. To invest money into something that might not gain traction with your customers or become obsolete in the near future would mean the decision to implement a specific technology would probably only be made once it’s obvious that it’s a must-have.”

He believes the drawback of this approach is you could lose customers who find their desired payment solution or automated alternative at other stores.

Other notable challenges you may face along the retail automation journey are skills and training of employees and communicating new services to your customers while simultaneously managing their ever-growing expectations. You will find, however, that retailers who have successfully adapted to rapid market changes by embracing sophisticated technologies (that suit both their business models and their customers) are thriving in this fluid business environment.



Checkers Sixty60 has created more than 800 new jobs since the beginning of lockdown in 2020.

Image courtesy of Shoprite Holdings

## Fast tracking the trust relationship with alternative payment solutions

Depending on the scale and nature of your business, you will want to offer the customer as many convenient payment options as possible at your various points of sale (POS). This includes cashless purchases and smartphone payments. The challenge, however, is to ensure that your offering is both effective and efficient.

There are a multitude of factors driving the evolution of payment solutions, among these consumer demand for safety (for both health and crime), the slow but steady move to a cashless society, shopping through apps, online shopping, redeeming loyalty points for instore and online payments, and more.

One of the effects of Covid-19 is that it forced both retailers and customers to quickly adapt the way they have been transacting with one another. Large retailers have had to rapidly augment their online stores, adding efficient delivery services to their offerings (through partnerships with online grocery and delivery services, or even purchasing them outright. For example, Pick n Pay launched an on-demand online grocery delivery service less than a week after

the start of lockdown in March 2020 (Pick n Pay purchases Bottles, October 2020). On the other side of the coin, customers have had to fast track their trust relationship with online purchasing.

“Increased demand for the fast and cheap online shopping service provided by Checkers Sixty60 saw the offering become the top grocery shopping app in South Africa in less than 18 months. The app has been downloaded more than one million times and is estimated to process around ten thousand orders per day.”



Between April and September of 2020, Standard Bank's card division showed an 84% increase year on year (YOY) in the value of online spend at supermarkets and grocery stores, while the increase in the value of spend at online general retail stores increased by 458% YOY.

Over the same six months, 20% of all credit card transactions by Standard Bank customers were done online, while 17% were contactless payments, meaning they were made using tap-to-pay or via a mobile device. Contactless spend at petrol stations increased by 608% YOY, by 179% YOY at wholesalers, and 137% YOY at supermarkets and grocery stores.

In their report called 'Economy 2021', the Mastercard Economics Institute states that ...

“In terms of the e-commerce spending surge, a permanent stickiness factor of 20-30% is estimated in overall retail spending, a key consideration as businesses contemplate scaling up their digital transformation efforts. 📈📈”

“This shift was also highlighted in a recent Mastercard e-commerce study, which revealed that 68% of South African consumers are shopping more online since the onset of the Covid-19 pandemic.

This trend appears to be here to stay, as 71% of respondents said they will continue to shop online post-Covid-19.”



iStock by Getty Images

“Retail customers are increasingly discerning, and more: they are empowered with the information to consciously decide where and how they shop.”

## Unstoppable innovation in payment solutions

Ideal payment solutions ultimately ensure that both parties to the transaction are happy. You, the retailer, are able to conclude the payment with a guarantee that funds will be deposited into your account quickly. Vice versa, the customer can trust that their exposed payment credentials will be kept securely.

“The future will belong to those retailers whose strategy is directed by customer centricity. Online shopping is all about convenience for the customer,

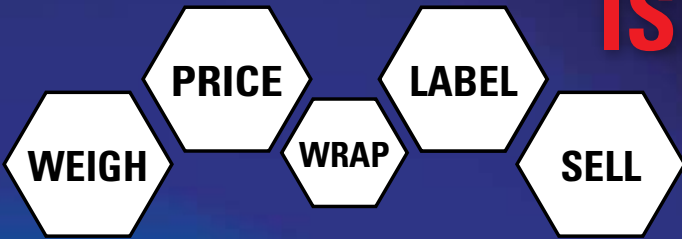
inclusive of the supporting payment process. Two-way communication between the store and the customer in this process is of utmost importance, not only to optimise the execution of the order, but also to set the customer's mind at ease regarding the validity of payment. Integration of the online platform into the in-store solution enhances efficiency and accuracy of order execution, ensuring the amount to be paid by the customer is accurate” says David Geldenhuys of Arch Software.

As a retailer you want to select payment solutions that provide you with low transaction



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fees, devices that are not tied to a physical store, easy reporting and reconciliation tools, simple and quick integration straight into bank accounts and easy setup with low maintenance.

All the major banks offer credit card processing services and terminals that integrate at point of sale. Let's look at some of the most popular payment methods currently in use:

**1. Samsung Pay.** All of the big four local banks (FNB, ABSA, Nedbank and Standard Bank) support Samsung Pay, which allows users to pay using only their smartphones at any payment terminal that supports contactless payments. The app works with contactless support (utilising NFC (Near Field Communication), a standards-based short-range wireless connectivity technology that provides convenience for consumers by making it simpler to make transactions, exchange digital content, and connect electronic devices with a touch.) However, this is not a must-have feature to use the service. Instead, Samsung Pay uses a widely accessible MST (Magnetic Secure Transmission) service. MST is preferable because it is easy to use and to complete payments. It mimics card terminal swiping options of card terminals.

**2. QR payments.** As of April 2020, as many businesses were forced to take a critical look at how they could deliver services in an uncertain future, local retailers Shoprite Group and Pick n Pay started accepting QR payments, which allow customers to scan the QR code at the till



point with their phones and pay with Masterpass, SnapScan, Zapper, FNB Pay or Nedbank Pay in any of their stores.

**3. OZOW.** This automated EFT solution provides secure, instant and irrevocable bank-to-bank payments. This means that once a payment has been confirmed, the transaction is irrevocable with no chargebacks. No physical card is required, and the system enables you to receive payments directly from your customer's cheque, savings or credit account. There is no need for shoppers to enter into a lengthy registration process either, instead they can simply log in using their Internet banking details.

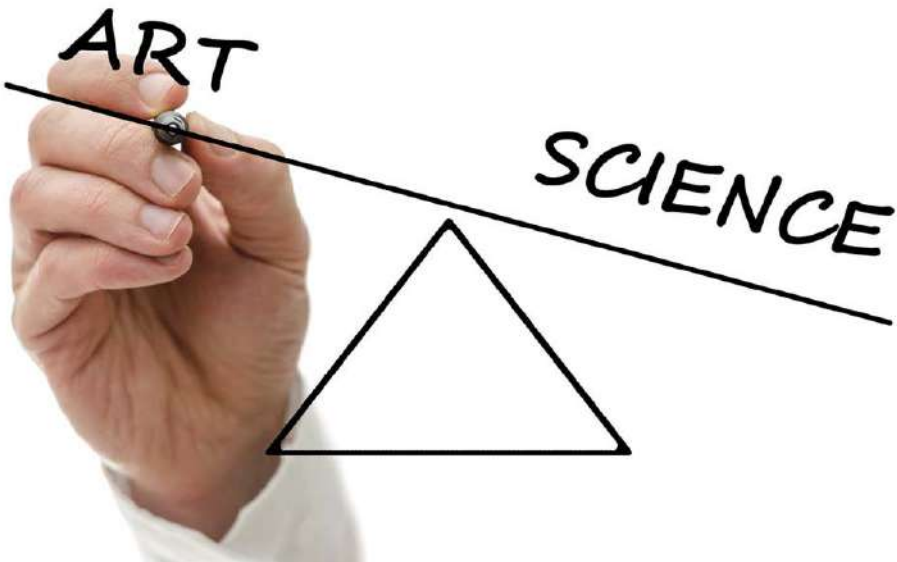
**4. Apple Pay.** Since March 2021, the Apple Pay function on iPhones and Apple Watches is available in South Africa for customers of selected banks. First National Bank is a notable exception. Apple Pay allows a customer to process a payment at any terminal that accepts tap-to-pay cards, which use the same NFC system.

**5. Standard Bank's SimplyBlu** offering is an alternate to Shopify, allowing you to take your business online with a customisable e-commerce website that offers secure payment options. SimplyBlu also offers you the ability to send electronic invoices and receipts to your customers and accept domestic and international credit and debit cards from Mastercard, Visa, American Express, Discover, JCB and Diners Club.

**6. Yoco** – which recently passed R1 billion in monthly transactions – offers a payment solution for credit card payments and online gateways. Yoco's online payment gateway integrates with WordPress & WooCommerce, as well as Wix and Shopstar online stores. Yoco offers countertop solutions for small retailers and integrates with POS, accounting, and loyalty software.

**7. SnapScan** is a payment solution that essentially turns your customer's smartphone into a portable point of sale device. Customers download the app and complete the payment by scanning a QR code, with no extra hassle to you. SnapScan also has solutions for physical locations and online portals.






There are no monthly fees or minimum spend, just a standard 3% transaction fee is charged. SnapScan also has a large adoption rate by many businesses and consumers in South Africa, so there is no need to worry about limiting your business transactions. Users simply download the SnapScan user app, set up their details, scan their barcode and complete the payment.

**8. Masterpass by MasterCard** works in the same way as Snapscan or Zapper. Your customer scans your QR code and pays via the Masterpass App. Masterpass users can also scan SnapScan QR codes as the processes are integrated. Masterpass is available for both Nedbank and Standard bank account holders. A standout feature of this product is that there is no need to buy or rent a card machine and you can present your QR code to customers in countless scenarios. Merchant fees are negotiated between the merchant and the bank. You may incur additional costs to implement Masterpass for online or in-app purchases.

**9. QR Speedpoint® by FNB** is a feature on the FNB Banking App, which allows you to generate a QR code to accept payments for goods and services on the move. QR Speedpoint® is compatible with most popular QR code scanner apps and the service is available to all FNB Business Account holders at no extra cost. The app features easy registration and integration with your business bank account.

**10. Zapper** is a mobile payment platform that also works with apps and QR code payment scanning. Customers scan the QR code with their Zapper App, complete the payment and you get your money. An added bonus is the customer loyalty and rewards platform. Fees work on a tiered option for business sales; starting off with as little as R0 monthly fees and 2.9% transaction rate; which decreases as your monthly fees increase. All your receipts, stats and insights are readily available via the Zapper merchant app. Zapper also comes with a built-in reward feature, which you can set up to incentivise loyalty with discounts and savings.



These are but a few examples of innovations in payment solutions available to retailers from small and mobile, to large organisations providing omnichannel customer experiences.



## FLAVOURS OF INDIA Get more flavour with Tetley

**From the second biggest tea brand in the world, comes a range of bold flavours which will take you around the world.**

Following the phenomenal success of the Tetley Green tea range which has taken the #1 spot in the South African Green tea segment, we are proud to launch 2 new additions to the Tetley Black tea range. Tetley Masala Chai and Elaichi Chai are filled with bold aromatic flavours, taking your tastebuds on a journey. Sit back, relax and let Tetley take you around the world with a cup of tea.

Available in 2 variants:

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Premium Black Teabags  
infused with fragrant spices

**ELAICHI CHAI**

Premium Black Teabags  
infused with aromatic cardemon



The great-tasting Tetley Masala Chai and Elaichi Chai teas are incredibly versatile and are best enjoyed in the traditional way – pop your teabag in a cup, add hot water and brew for 3-5 mins, add lots of milk, and sweeten with sugar or honey.

- Create a delicious Chai latte by boiling the Tetley Masala Chai or Elaichi Chai teabags in milk, and then adding honey or sugar for a deliciously milky beverage.
- Tetley Masala Chai and Elaichi Chai teas are also the perfect addition to many sweet desserts. Simply boil them as part of the milk or cream for milk tarts, ice cream, vermicelli or rice pudding.



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## Ecommerce and the importance of performance testing

Considering the rise and importance of e-commerce in retail it is essential that websites and apps work and perform properly, every time and across all devices. Performance Testing is a service that helps you understand how your system copes under load and stress by testing your website, software or applications against simulated and real-world scenarios.

By finding and eliminating any weak points in your system, you can be confident that your customer has a seamless user experience and is able to perform what they need to do, whenever they need to do it. Web Performance is especially vital in the retail industry.

Simon Hearne, Web Performance Architect, Inspired Testing, says ...

“We've seen e-commerce and retail make the best out of web performance because it's easier to measure the impact that performance has on business outcomes.”

“As a retailer, you need to be asking whether you are as fast as your peers and your competitors. The next step is to implement easy steps to consistently deliver the best

possible user experience.” Hearne explains that in a customer-driven environment, website performance should be a top priority for a business.

Slow websites can present a real risk to business success. Research has shown that slow online experiences cause stress, in turn causing customers to quickly leave. “Just last year, Cyberduck did a study using blood pressure that showed how slow websites are the leading cause of increases in blood pressure while someone is using a website!” says Hearne.

Ultimately the aim is to deliver value to your customers. Hearne says, “Anything that reduces the customer's stress will mean a better user experience, better business outcomes and give retailers a better result from their website and apps.”

## Ensuring a faster, improved customer shopping experience

Whether implementing your next big project includes retail automation, or simply incorporating a new payment solution that improves your customer's shopping experience, the process will require strategic planning.

Your customers are increasingly discerning, and more: they are empowered with the information to consciously decide where and how they shop. As a retailer your success ultimately depends on the ability to provide safe shopping environments, with quick and easy payment processes and an excellent customer-centric experience throughout. **SR**

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**Jeanne-Riëtte Martins** is a multi-specialist writer with a degree in Industrial Psychology. Influenced by her background in human resources and consulting, she writes on issues that impact businesses from SMME's to corporates across various industries. An award-winning blogger, she collaborates with some of South Africa's largest food and family lifestyle brands through her blog and social media profiles. Her writing repertoire includes B2B and B2C content. She is also a human resources professional with over a decade's worth of specialisation in HR, payroll management and industrial relations. Based in Johannesburg, Jeanne-Riëtte has an analytical mind and a creative heart. Contact Wilkins Ross Communications at [jeanne@wilkinsross.co.za](mailto:jeanne@wilkinsross.co.za)







# digital payments are transforming how retail business gets done.

It's an exciting time to be in the payment industry where the dynamics are quickly evolving, as businesses and customers shift from cash to digital payment methods creating opportunity for innovation and growth. The rise of alternative payments coupled with the increased adoption of contactless payment methods, such as Apple Pay and Masterpass, means that retailers need to diversify their payment offerings to meet the demands of their customers.

The success of QR-based payments has greatly assisted with making customers comfortable with alternative payment methods, and the increase of in-store financing

and micro-credit options utilising the mobile QR code payment mechanism will play a key role in boosting merchant sales and growing loyal customer bases. This trend of instant credit payments is already evident in the e-Commerce domain and will soon be felt in the physical store environment.

### What are Alternative Payment Methods?

Alternative payments refer to the methods that are used as an alternative to cash, credit card and debit card payments – these include digital wallets, instant EFT, and payment instalment options.

### Emerging In-store Customer Credit Options

Shoppers, particularly millennials, are increasingly wary of accruing additional debt through high interest credit cards and are looking for simple, affordable, and flexible payment options. Retailers can provide their customers with access to numerous alternative payment providers, including in-store instant credit, to pay for goods and services, such as:

- **Buy Now Pay Later (BNPL)** – this is one of the fastest growing payment methods globally and empowers retailers to provide their customers with a simple

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and flexible way to purchase goods and services immediately but pay in instalments over a specified period, often with no interest to the customer. The retailer gets their funds right away and the BNPL provider takes on the risk of securing the repayments from the customer.

- **Purpose Based Lending (PBL) / In-Store Financing** – a real-time lending product that enables customers to finance goods and services over either a short or long-term basis. As it is flexible, it helps when making higher value purchases or having to finance costly services.
- **Lay-By or Purpose Based Savings (PBS)** – an interest free payment service allowing customers to save and pay for goods over time.

- **General Credit** – a convenient once-off application credit facility that allows customers to shop at participating retailers. With a revolving credit limit, customers can spend whatever is repaid.
- **Subscription Agreement** – where the customer agrees to pay a fixed monthly subscription amount for an agreed subscription period to a service provider for the use of goods or services.

The payment experience is a focus for retail innovation. It quickly fosters customer loyalty, boosts sales, delivers an enriched customer experience and differentiates a retailer against its competitors. By implementing QR payments, utilising existing payment hardware and infrastructure, such as Pin Entry Devices (PEDs), retailers can enable a host of alternative payment providers.

# adumo

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# Global staples take centre stage in South Africa

Maize has long been one of the staple foods of South Africa, and rice has always been a mainstay of traditional African dishes. Rice has universal appeal and is part and parcel of grocery cupboards across the LSM spectrum in this country. Globally, rice and maize comprise two of the top three food crops, according to Ricepedia, with wheat rounding out this powerhouse. It's safe to say these two staple foods are big business.

Traditionally speaking, consumers have grown up with either one or both of these foods making regular appearances at the dinner table, with

convenience, ease of preparation, availability, shelf-life, and versatility all make these staples a personal choice as much as a calorific necessity.

In an article for South Africa Online entitled *Uses of Maize; Field Crops in South Africa*, Glenneis Kriel writes that

"Due to the growing middle-class, there has been a shift towards other staples, such as bread, rice,

potatoes and pasta.

The shift has also led to a bigger demand for animal protein, such as meat, dairy and eggs, which in turn has caused a growing demand for maize in the feed market."

However, despite the growing popularity of alternative staples (including rice), maize and maize products retain the lion's share of the consumer market and are often bought in bulk and/or on promotion.

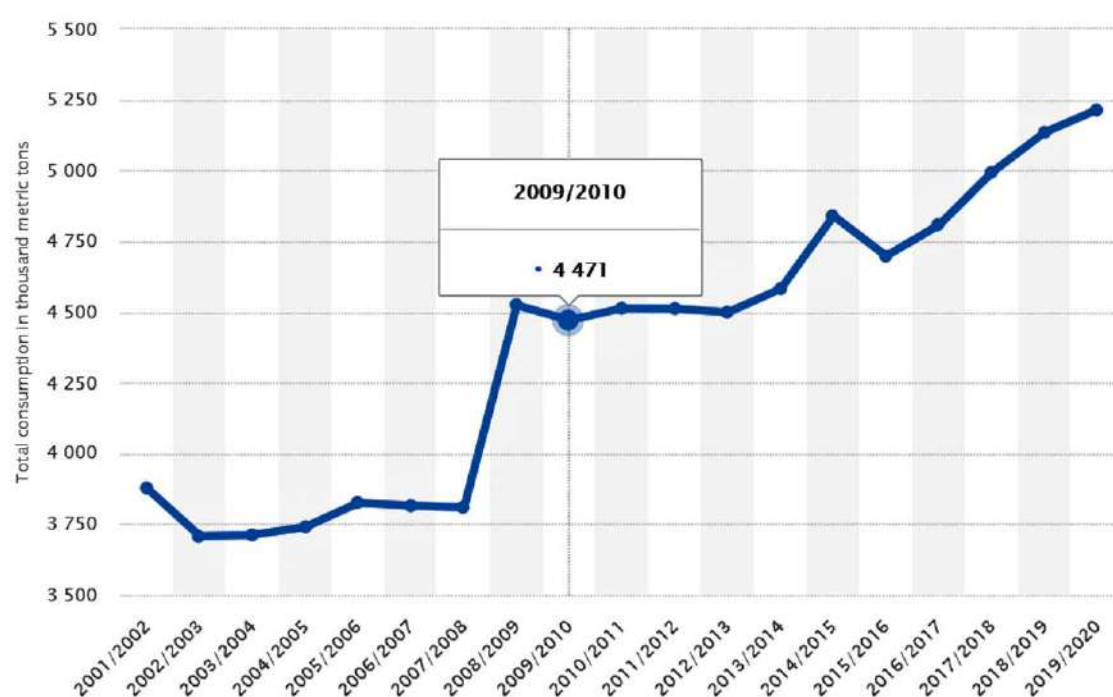
Meanwhile, Food & Wine predicted that, thanks to the pandemic,

two of the biggest trends for 2021 would be a return to comfort food and an upswing in heritage dishes, both at home and on restaurant menus. Foods like pap, polenta, cornbread, corn on the cob, rice pudding, yellow rice, hearty stews, and casseroles served with a side of rice, as well as paellas, jollof, homemade biryanis and curries all make the cut, which is good news for producers and retailers alike.

But the appeal isn't only one of nostalgia and a need for comfort. In trying times, dried grains such as rice, and grain products such as polenta and maize meal keep well. With many consumers



South Africa consumption of processed maize 2001-2020 (in 1 000 metric tons)





either unwilling or unable to make frequent trips to the shops during the pandemic, products that can be bought in bulk and stored for extended periods are ideal. These products also tend to be versatile, a boon for home cooks faced with endless meal planning.

Convenience is also key, particularly for over-worked parents and a population that is slightly more wary of eating out than it used to be. Quick cook polenta, rice sides that microwave in 90 seconds, and microwave meals with a rice base – either as single servings or for the whole family – remain popular with middle to high LSM consumers.

This is evidenced by the growing number of own brand meal ranges, and the variety of dishes on offer in these ranges. Home-schooling and work-from-home situations are also good for maize-based snack foods such as popcorn, and corn chips such as Doritos and Niknaks, as well as rice cakes, rice crackers, and puffed rice cereal bars.

“ There has also been a myriad of innovations in the maize category ... challenging the perception that maize meal is only used in traditional, pap-based meals ... suitable for many starters, main meals and desserts. ”

Quick-cook maize meal, instant maize porridge in flavours like vanilla, banana, strawberry and chocolate, maize rice, and maize with added fibre

Barbequed corn on the cob is an all time South African food favourite.



are other innovations driving growth in the maize category.

Another factor to consider is the consumer's expanding palate. International inspiration is here to stay. South Africa has always been something of a melting pot, embracing people and cultures from around the world. The makings for traditional African dishes, local twists on Indian staples, Tex-Mex and nouveau Mexican flavours, westernised sushi, Asian favourites, and European comfort foods are all becoming more and more easily available,

as home cooks demand the ingredients needed to recreate their favourite international dishes. Consumers expect easy access to varieties such as basmati, jasmine, risotto, and sushi rice. Flavoured rices and rice paired with ingredients such as legumes, ancient grains, or sundried tomatoes are also proving increasingly popular.

Technology is also helping consumers to use their rice and maize products in innovative recipes, with retailers and manufacturers constantly providing new ideas to incorporate the products into meal ideas via their websites and social feeds including Facebook, Twitter and Instagram.

Another driver of rice and maize consumption is gluten.

“ The gluten-free foods category continues to grow as more people come to believe they are gluten sensitive, gluten intolerant, or completely allergic to gluten. ”



There are several theories regarding the cause of this increase in gluten-related health issues, but the fact of the matter is, many consumers are starting to move away from gluten-heavy products and towards naturally gluten-free grains such as maize and rice, amongst others.





Whilst South Africa is expecting a bumper grain crop this year, imports from Thailand and Vietnam may be affected by the Covid 19 pandemic as they were in 2020. The United States Department of Agriculture issued a report in 2020 highlighting the effect of lockdown precautions on international exports, rising prices, and the local government freeze on price increases for staples such as rice. Consumers in South Africa have yet to be faced with a significant shortage, however.

In short, many South African consumers depend on rice and maize

products to provide the bulk of their daily food requirements. For others, these products are traditional staples essential to family recipes and comfort foods. The rise in convenience products is driving consumption in younger members of the buying force and increasingly attracts consumers looking for ease, convenience, and time-saving products. It's a safe bet that both the rice and maize categories will continue to see growth into the very long-term future. **SR**



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).

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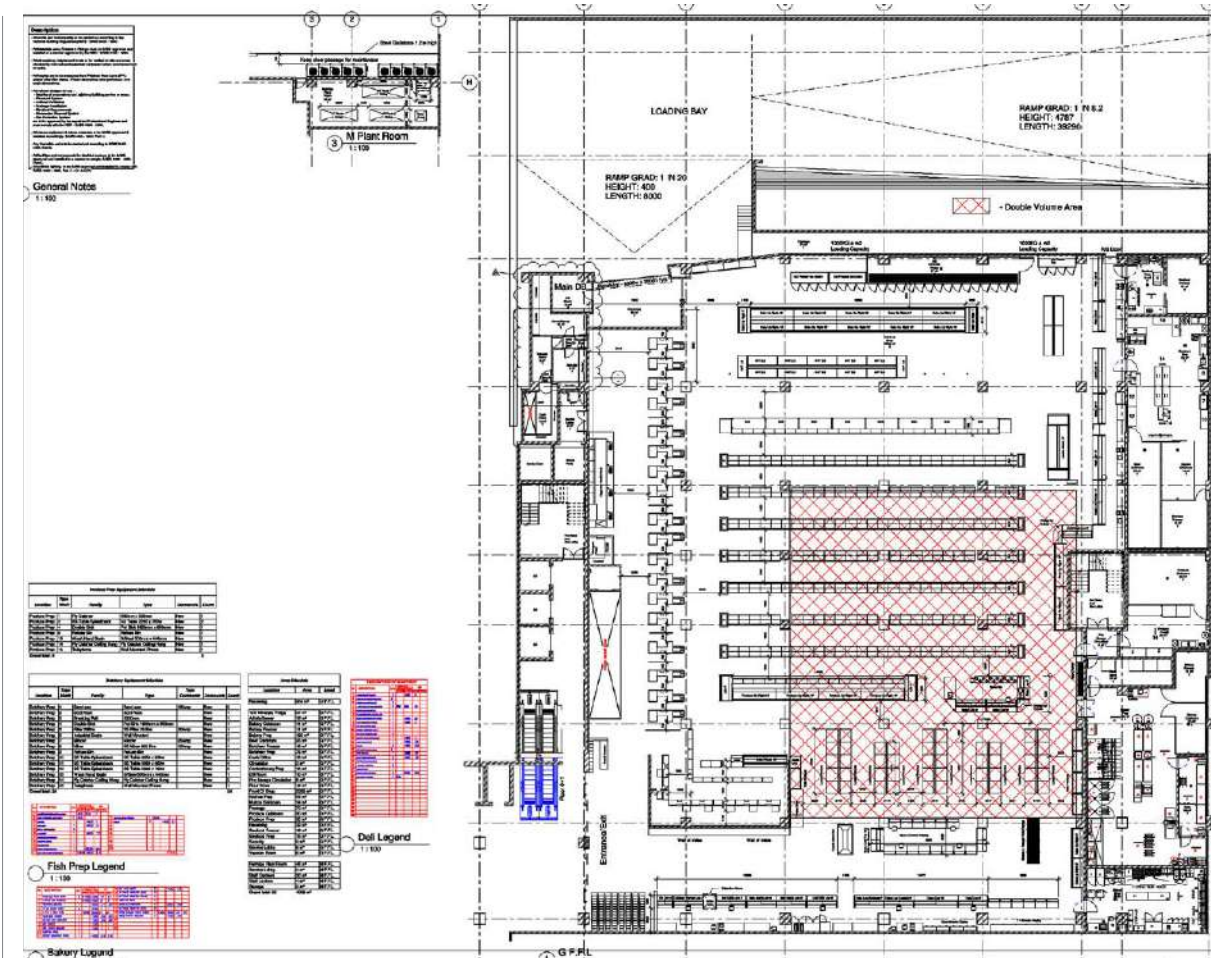
# If you fail to plan, you plan to fail!



Calvyn Morris  
of *Absolut Designs* is  
an *Interior Architecture specialist*  
in *supermarket store design*  
calvynm@absolutsa.co.za

One of the most relative sayings in the store design industry is, "If you fail to plan, you plan to fail!" Whether it be revamping or a new build, this may be a very daunting task for any store owner to undertake. Not only is there a huge financial outlay but many more hidden factors to consider. Store design is encompassed with contractors, suppliers and professionals that are involved in all aspects of building a supermarket. Detailed planning ensures minimising unforeseen costs and this is where store designers are required to produce drawings with as much detail as possible to assist in accurately quantifying the estimated cost of the proposed supermarket.

Do yourself a favour, next time you're in a supermarket take a look around and notice all that goes into each department. Look up, if there is no ceiling you will be able to see all the different trades services (pipes, cable trays, ducting, etc) that are intertwined in what we call the service void area.



It takes a lot to make sure these services don't conflict with each other and this is just one of many reasons of the importance of planning and store designs.

This allows me the opportunity to go through the process of store design in simple form. As a store designer, I would also like to include all of the wonderful tradesmen, consultants and professionals that form part of the professional team that are involved in a supermarket build.

In my experience, I have learnt that there are three phases to the store design.

- Conceptual General Layout.
- Working/Construction Drawings
- Finishing Drawings

This is a pack of drawings and can sometimes add up to 12 sheets in a pack of drawings and that excludes the drawings submitted by the Architect and Engineers which I will explain in more detail a little later.

## Conceptual General Layout

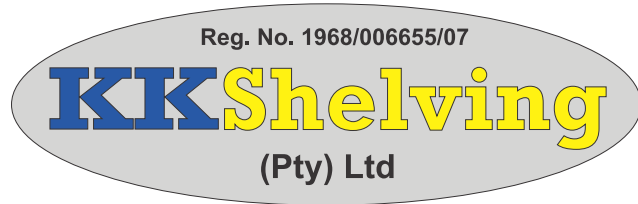
This is the most important of the sheets as this is the layout of the store. This includes the positioning of your shelves, shopfitting, refrigeration, equipment and tills as well as rooms and room sizes. This is how we departmentalise the store showing the Fruit and Veg, Butchery, Bakery, Kitchen, Store Rooms and Dry Goods on shelves. This plan includes cold-rooms as well as all equipment in the prep areas, placed according





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## \*Product Range

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- Cantilever Racking
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to workflow procedures commonly found in these departments. There are many suppliers involved in this process/phase – from shopfitters to equipment suppliers as well as the refrigeration supplier chosen by the retailer.

Generally this is the most time consuming sheet as there are many changes to get the flow right and to make sure the retailer is happy, once the retailer is satisfied with the concept he/she will sign it off and we will move onto the next phase.

### Working/Construction Drawings

As the title states, these are the drawings issued to site for the building of the store and include the following sheets:

**Demolish Works.** Should this be an existing building and there be any alterations etc needed where by demolish works are called for they will be detailed on this sheet.

**Slab Details.** This relates to all details of the concrete slab, cut outs for drainage pipes, recesses for cold rooms and waterproofing under them, etc. This would often be the time a Structural Engineer is consulted depending on the conditions.

**Slab Services.** This sheet details all services found in the slab, such as plumbing, waste pipes for refrigeration condensation and basins, floor drain positions, coring for plumbing. Try to limit the services in the slab – if you need to repair services, its best they be accessible without too much interruption to trade.



**Services Layout.** This sheet details all electrical, data, telephone services found on walls, floor mounted and ceiling mounted points. We detail cable tray positions, as well as gas and plumbing services found in walls and ceiling levels. Often there will be an Electrical Engineer who assists at this point should there be a need.

**Wall and Partition Layout.** On this sheet you will find all details pertaining to new brick and partition wall details, including dimensions of wall thickness, fire rating and heights. You will also see doors and windows with tags indicating numbers which reference to the *Window and Door Schedules Sheet*.

**Window and Door Schedules.** These are the details of the types of doors and windows, their sizes and opening sizes as well as any other specialised information.

**Prep Area Services Details.** Due to the amount of equipment in the Service Prep areas there will be a lot of information crammed into a small area and on a plan view of 1:100 these areas become very busy when it comes to information. So we will isolate the prep areas onto one sheet and detail all the important services that go into these areas so that it is clearer to the contractors minimising mistakes.

### Finishing Drawings

These consist of all the aesthetic finishes for floors, walls and bulkheads. Drawing sheets consist of the following:

**Ceiling and Bulkhead layout.** At this point we get involved with the **Mechanical Engineer** regarding HVAC and extraction systems.



# Cooling innovation



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We also need to involve the Fire Safety Consultant regarding sprinklers, FHR and extinguishers and we start to overlay their drawings with ours to make sure there are no clashes with services in the services void above ceiling level.

**Ceiling and Bulkhead Sections.** This sheet has sections and elevations of the bulkheads for the bulkhead contractor to work off when building all the store bulkheads and installing the ceilings in the prep areas.

**Floor Finishes.** This sheet details the floor finishes we will be using throughout the store. This is a very important consideration as the floors take a lot of punishment, so you need to be very careful with your selection.

**Wall Finishes Details.** This sheet details the wall finishes throughout the store and is coordinated through a legend of detailed and different coloured lines which relate back to the legend indicating the type of finish to be applied. A lot of work goes into this sheet and quite a bit of back and forth with the client. It helps to see what the client has envisioned and put together a mood board for them to see and feel what you have in mind to make sure you have understood his/her brief correctly.

**Wall Finish Elevations.** This sheet also helps the client visualise the selected finishes in elevation. This is the final sheet issued in the full design pack.



## NOTE ...

On all our sheets you will find schedules quantifying elements pertaining to that field, this will assist the quantity surveyor or whoever has been enlisted to price the build for the retailer and provide an accurate idea of the full cost of the build.

The professional team in the build is very important. This can consist of Professional Engineers as well as Consultants of all different fields such as Fire, Cooling and Refrigeration, Lighting, Mechanical and Structural.

## Store Flow

You want to subconsciously guide the customer through a store in order to make sure they shop the whole store and not just one aisle. This is not always achievable, but is the desired effect. A supermarket is departmentalised, and you will never walk in straight onto Dry Goods. 80% of the time you will walk into Fruit and Veg or Hot Foods Deli and occasionally there are promotional stands or displays. You also never walk in onto a Butchery. This and frozens are often tucked at the back of the store, past the dry goods or shelving, giving the shopper a reason to walk past the grocery section. Bread and eggs are also placed strategically – not hidden, but not in



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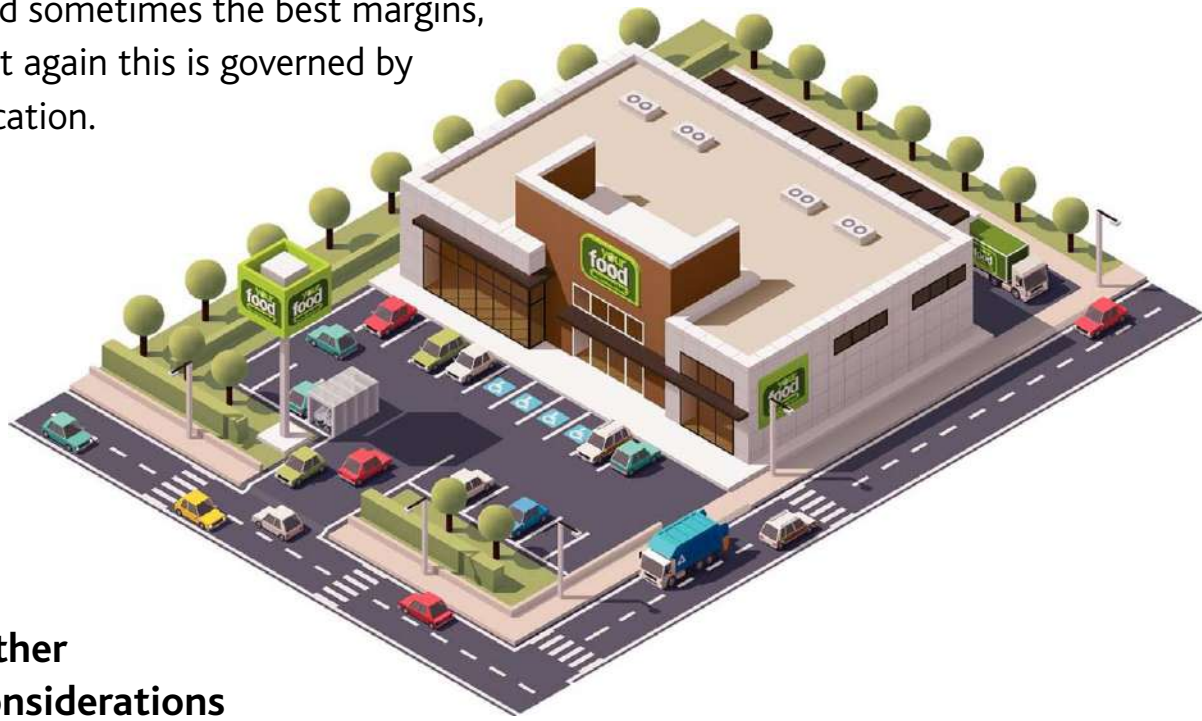
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plain sight. You need to gently guide the shopper through your store to allow for impulse shopping. This needs to be balanced to make sure you do not aggravate the customer, as the customer must still be able to flow smoothly through the store. Each store is different and is governed by the target market of the area it is situated in. Having always found that retailers focus on Fruit and Veg and Hot Foods Deli as these departments have the higher turnover and sometimes the best margins, but again this is governed by location.



## Other considerations

A very important consideration is Lighting. This is a specialist field and there is a science to lighting and its effects on product, as well as expense. The same can be said about refrigeration and cooling. For example, refrigeration and HVAC systems can be linked and can work together to achieve great results in performance as well as sustainability, and there are experts in this field who should be consulted during the design phase.

In closing, there are many considerations when revamping or building a new supermarket. It helps to plan ahead and employ the right suppliers and consultants that will save you time and money, giving you as a retailer time to focus on your core business.

At the end of the day, this is a huge financial outlay and we need to make sure you do not over capitalise on your project and get the fastest return on investment possible. **SR**



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A collage of three photographs showing the interior of a supermarket. The top photo shows a checkout counter with a staff member and a customer. The middle photo shows a long aisle with multiple checkout counters. The bottom photo shows a price tag hanging from a shelf. A large red price tag is overlaid on the collage, reading 'Price: R12 500 Ex VAT'. A clock icon with 'Tick' and 'Tock' is also present, along with a red box containing the text 'EXTENDED OFFER!!!'. Below the box, text reads: 'Due to popular demand our Price-Lock has been extended until 31 July 2021, ref: #SnRpricelock'. Another price tag is visible in the bottom right corner, reading 'Price: R 8 500 Ex VAT'.

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# Kasi online retail

## A new kasi omic revolution

**B**afokeng Shisanyama in Soweto is normally a vibey open-to-the-street *shisanyama* by day and club by night. Their busy Facebook page shows parties spilling out into the street, platters loaded with meat, expensive brandy and whisky bottles on tables in the *kasi* style, fashionably dressed Sowetans bopping into the early hours.

And then along came the first lockdown and business came to a crashing halt. As the lockdown eased, takeaway food was allowed, but Bafokeng was not a takeaway outlet and their customers wanted to come party and grill. Bafokeng however, like many *kasi* kos outlets, pivoted quickly putting their delicious *nyama* menu on Facebook, with a WhatsApp link inviting people to WhatsApp their order and send a pin location and they would deliver. Orders poured in. Today Bafokeng has two fulltime freelance delivery motorcyclists who do 25–30 deliveries each a day during the week and almost double on weekends. Talk about turning a crisis into an opportunity!

At lockdown Borocho bakery in Soweto lost 25% of their business immediately, some of it from the closing of the township fast food sector, primarily the *kota* outlets, plus losing a large client at Baragwanath hospital. So the founder Refiloe moved to Facebook and WhatsApp, posting his delicious



and fresh offerings of bread and buns on Facebook. Refiloe invited people to WhatsApp him their order along with 'ipini' the *kasi* term for a pin location. Within days orders poured in and, with trolleys and branded umbrellas proudly shouting out Borocho Bakery, four trolley sellers walked the locked-down streets every day. "We now have orders as far as Rockville, even Dube, so the guys can walk about 10 even 15km's a day," he said at the time. Today his bakery sells direct to the public from the bakery,

but the Facebook and WhatsApp orders continue a lucrative additional distribution channel.

Mncedisi Nkuna left a great job in the formal sector to pursue his love of entrepreneurship. As a student at UCT he always had a side hustle selling to fellow students and looking around him in his local *kasi* of Alex he saw a proliferation of *kota* outlets. Recognising that most *kota* outlet owners struggle to leave their shops to stock up, particularly with potatoes, which they must wake up at

4am and go to the municipal fresh fruit and vegetable market for. So Mncedisi started buying and delivering cheese slices, cold meats and potatoes to the local *kota* outlets. His business is growing like hot potatoes, well actually cold fresh ones. He mailed me the other day. "Business is growing quite faster than I anticipated. As of today, our unit sales in terms of potato bags is up 30% versus last month. That is 3 383 bags so far this month, versus 2 646 the whole of last month."



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Our customer base is still very small compared to the target market in Alex – we only cater for 42 customers so far.” That’s almost R250 000 in sales to just 42 outlets and that’s almost double the two previous months’ turnover.

The streets of the township today echo with the sound of old-style bicycle bells and horns, ringing and boop-booping vegetable sellers 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.

All these, and many other businesses examples, point to a growing online *kasi* delivery both B2B and B2C. This trend will grow and become more established. Ignore it at your peril.

Most informal *kasi* businesses have adapted to a new world – using technology, social media and delivery. It is remarkable how innovative and resilient these businesses have been. The era of local and delivery is here, built on social media and smartphone platforms. Very few *kasi* businesses today do not have a Facebook page with an associated WhatsApp number. Habituated by lockdown to the convenience of delivery, consumers have become ‘lazy’ said one outlet owner who has a successful alcohol delivery service.

Add to this convenience of online ordering is the comparative cost and inconvenience of taking

“After lockdown, many *kasi* outlets pivoted quickly, putting their delicious *nyama* menus on Facebook, with a WhatsApp link inviting people to WhatsApp their order and send a pin location and they would deliver. Orders poured in. ”



and hire a *bakkie* from the rows of *bakkies* for hire outside the market or outside the wholesaler. Online ordering and delivery resolve these pain points of – inconvenience, risk, time out of store and delivery.

Over and above the in-house bread and vegetable trolleys or *shisanyama* motorbike delivery, a number of *kasi* entrepreneurs are entering the online delivery

space. Check out Swypa (<https://www.facebook.com/swypadelivery/>) in Thembisa whose fleet of scooters deliver alcohol, fast food or groceries. Or Go Groza (<https://www.facebook.com/GoGroza/>) recently launched in Gauteng delivering groceries into townships.

If you own a *spaza* or a *kota* outlet, the pain points of going to a wholesaler or a market are intense. Not only do you lose business when you leave your shop, but you typically take a taxi to the market or wholesaler. The cash in your pocket a huge risk. You then walk outside with your wares

Yebo Fresh ([www.yebofresh.co.za](http://www.yebofresh.co.za)) is probably the biggest and most sophisticated *kasi* delivery business currently doing grocery deliveries in the Western Cape townships like Khayelitsha and recently launched in the Gauteng East Rand.



Yebo Fresh offers a B2C service to consumers and a B2B wholesale offering to *spaza's* and *spazarette's*. The *spaza* and *spazarette* wholesale offering is one of their faster growing services, which I expect will create a new wholesale route-to-market, competing with traditional RTM channels. The trend may be in its infancy, but Yebo Fresh is at the forefront of a new *Kasinomic* revolution in online purchasing and *kasi* delivery. I expect their growth to be meteoric.

I anticipate that the next big thing in the *kasi* will be online ordering, albeit WhatsApp and Facebook based platforms vs dedicated webstores or apps. WhatsApp and Facebook Lite are already ubiquitous among *kasi* consumers and shoppers.

The relative low data cost of WhatsApp and Facebook Lite means that data cost sensitive consumers are less reluctant to use these.

Then there is data free, checkout #datafree <https://datafr.ee/> or Moya Messenger <https://moya.app/>. This data free platform allows for data free messaging or reverse billed websites or apps, enabling consumer shopping or website visits which are free to the consumer. With more than 4.6 million monthly users and growing fast Moya Messenger represents a means to fast-track online commerce.

Check out Malaicha.com <https://malaicha.com/>, an offering of the highly innovative HelloPaisa business, which I called a *Kasinomic* revolutionary

in my book. Malaicha enables shoppers who would normally send money to their relatives in Zimbabwe or Malawi where groceries are scarce or expensive, to send food instead. Scanning Q-codes on the data free app (which utilises the #datfree platform), shoppers build a shopping list, pay for it via a wallet or at a Malaicha store and hello your relative receives the groceries in their local town or village! By all accounts Malaicha is highly successful. A world class online grocery purchase and delivery platform for the most low tech and poorest people in Africa.

If online can work in this space then where can't it work? Prepare for a *Kasinomic* revolution in online purchasing and *kasi* delivery.



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## 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
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Above left: Lwandle Majodina delivering to a customer.  
Above right: Mfundo Maxamba delivering in Delft.

Left: Combos ready to go out to customers.  
Centre: Faith Depa answering a customer query.  
Right: Johannesburg marketing activation team.





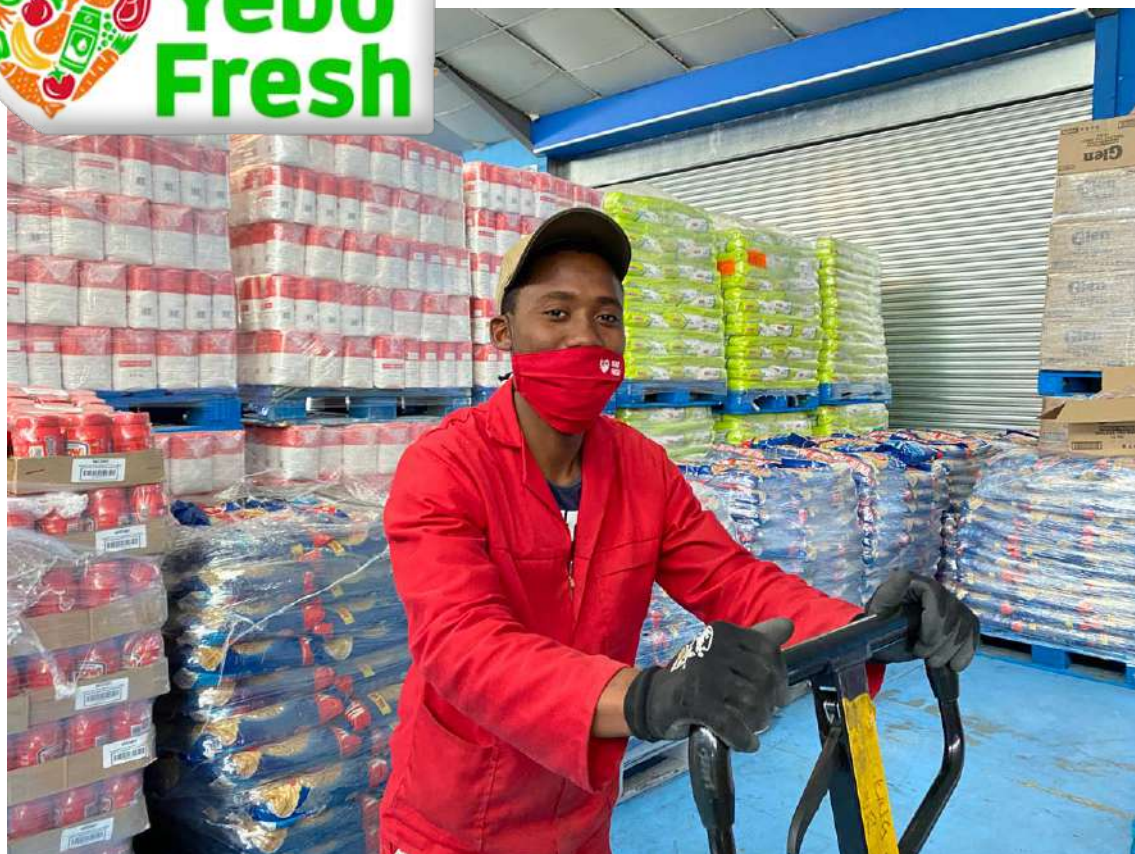
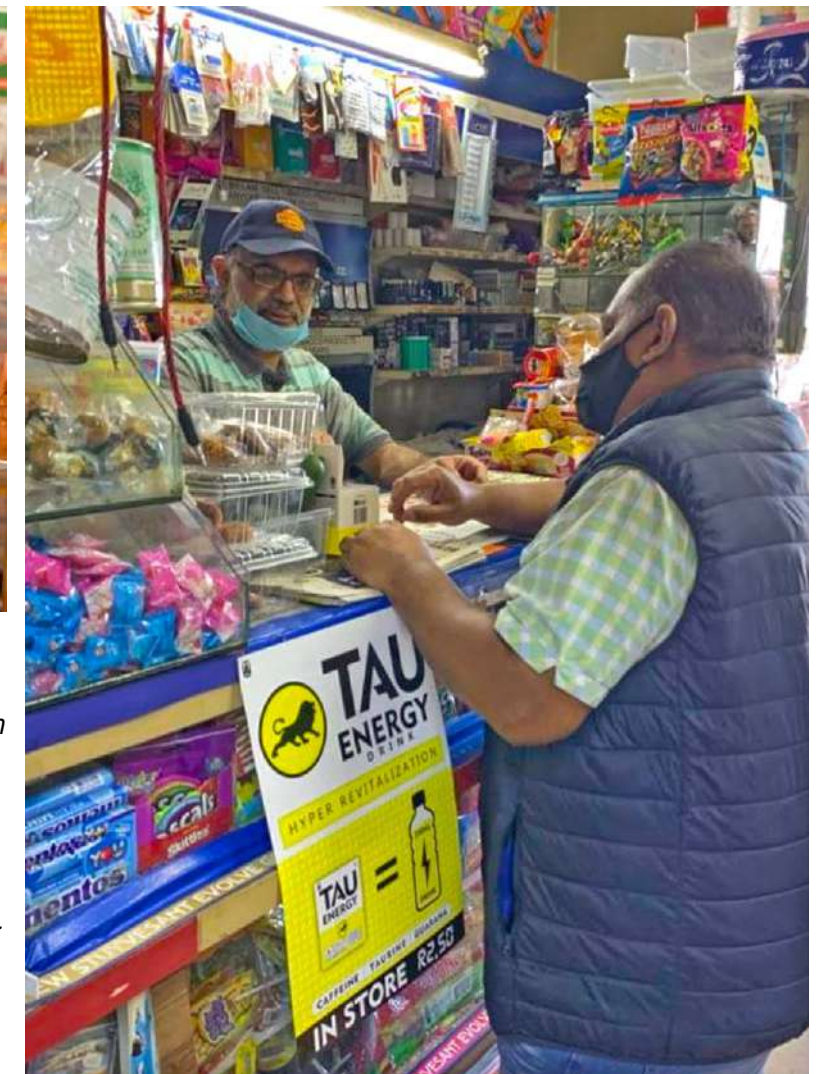
Above left: Siyabulela Nikani checking orders.

Above right: Thabiso Dubazana with Spaza owner Christina.

Below left: Sonwabile Mkiva at work in the Cape Town warehouse.

Centre: Jessica Boonstra.

Below: Sales Manager Moenier Hattas and Spaza trader.



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.

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# A revamp that lives up to the Lifestyle slogan Your style, Your store



Jaime van Aswegen  
Staff writer  
Supermarket & Retailer



Nestled in the quaint area of Tshwane, we find the new ICC Lifestyle Supermarket. This newly revamped store is set to service approximately 13 800 families locally. The team at the ICC buying group has thoughtfully designed the store to provide a vast yet economical range of products for the mixed community residing in the surrounding area of Wonderboom South.

A team of highly skilled contractors worked tirelessly to ensure this store was upgraded in the most cost-effective way possible. Key areas of the store have been enhanced to provide shoppers with a complete offering. Union cooling has certainly lived up to their name as this store is refreshingly crisp and cool.

An extensive range of fresh fruit and vegetables is available at extremely reasonable prices. The shelves of the fresh produce section are continuously restocked by staff ensuring only the freshest items are available.

The waft of freshly baked bread now flows from the bakery, which did not exist in the store



Beautiful  
fresh fruit on  
fully stocked  
shelves







# Sani-touch worked hard to keep SA retail doors open!

**D**espite a general fatigue around all things Covid-19 related, South Africans are once again being called on to practice preventative measures and adhere to recommended safety protocols as the third wave of infections takes hold on the country.

Sani-touch, a proudly South African producer of high quality sanitising products, were protecting consumers nearly two decades before Covid19. Its research had discovered that shopping trolleys are a breeding ground for bacteria, posing a risk for children and the elderly in particular. As a result the company, Infection Protection Products, pioneered the very first trolley wipes to the South African market in 2006.

## Medical grade saniters and wipes

The entire Sani-touch range of medical grade sanitisers and wipes, including the Sani-touch trolley wipes, passed the Coronavirus EU 14476 test (a European Standard test), proving their efficacy. These have become trusted products used by healthcare services, such as the South African National Blood Services, hospitals and clinics, as well as the retail and hospitality industries.

Sani-touch wipes are instantly recognisable by the patented red catch at the top of the bucket.

The plastic dispensing containers housing the wipes have silver-iron technology to provide extra touch protection. The company has given over 5 000 free-on-loan, specially designed bespoke

stands to local retailers to dispense Sani-touch wipes.

A high grade of ethanol, an organic and natural by-product of plant fermentation, is used in the Sani-touch range. All products are produced in a ISO certified medical manufacturing facility, with many products holding SABS marks.

## Consumer protection to keep the doors open

In early 2020, Sani-touch worked hard to allow retailers to keep their doors open and consumers protected. As demand for its wipes increased exponentially – and despite a countrywide shortage of raw materials – the business increased its manufacturing capacity. Sani-touch has always met and exceeded the alcohol

requirements for hand sanitisers, even before the onset of the Covid-19 pandemic, and has always ensured that its products are correctly labelled according to South African labelling requirements as well as making sure customers have clear and accurate information for total peace of mind when they use Sani-touch products.

Less scrupulous manufacturers do not always follow the same stringent protocols around compliance and quality standards. The rush for hand sanitisers in the early days of the pandemic and country-wide shortages resulted in a number of questionable sanitiser suppliers emerging – many of whom made false claims about their ingredients, included inadequate quantities of alcohol and even adding harmful ingredients. Many of these suppliers even added fraudulent certification marks on their product packaging.

Health experts urge consumers to be cautious about the sanitisers and wipes they use and to always check the labelling requirements, alcohol content and certifications. Avoid unknown brand names and insist on trusted brands from reputable manufacturers. Do not risk your health or your customers health with substandard products that provide inadequate protection.

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**See Sani-touch product overview 2021**





previously. The display cabinets are filled with delicious doughnuts, cake slices, biscuits, and steamy pies. The ICC Buying group general manager, Manny Gouveia, mentioned that the bakery section prepares the fresh baked goods from scratch.

There is an aisle of exclusively white-labelled sweets, and toys that would delight any child. This inexpensive range makes shopping for any special occasion or birthday an absolute pleasure.

Another excellent upgrade is the revamped butchery – offering both fresh and frozen meat. The team strongly believes in supporting a local supplier that constantly delivers the very best quality meat at affordable prices.

Freedom stationers have provided an economical range of Marlin Stationery supplies that assist with a good range of back-to-school items. The stationary aisle has a simple range of office equipment and will soon be including basic printer cartridges as well.

A vast range of personal care, baby care, deodorants, and toiletries are also available. An array of Hardware, Electrical, and Household appliances are standard at the ICC supermarket. This ensures that all consumer home needs are catered for. Pet lovers will be pleased to find a wide range of pet food products to suit any pet size, appetite or budget

It is evident that the team at the ICC Lifestyle center are serious about service delivery and continuously strive to live up to their slogan – **Your Style, Your Store.**



Bulk sweet treats on sale



Grand opening specials



Sani-Touch – keeping shoppers safe with their saniwipes



Farm Fresh goods waiting for you



Bulk potatoes on sale





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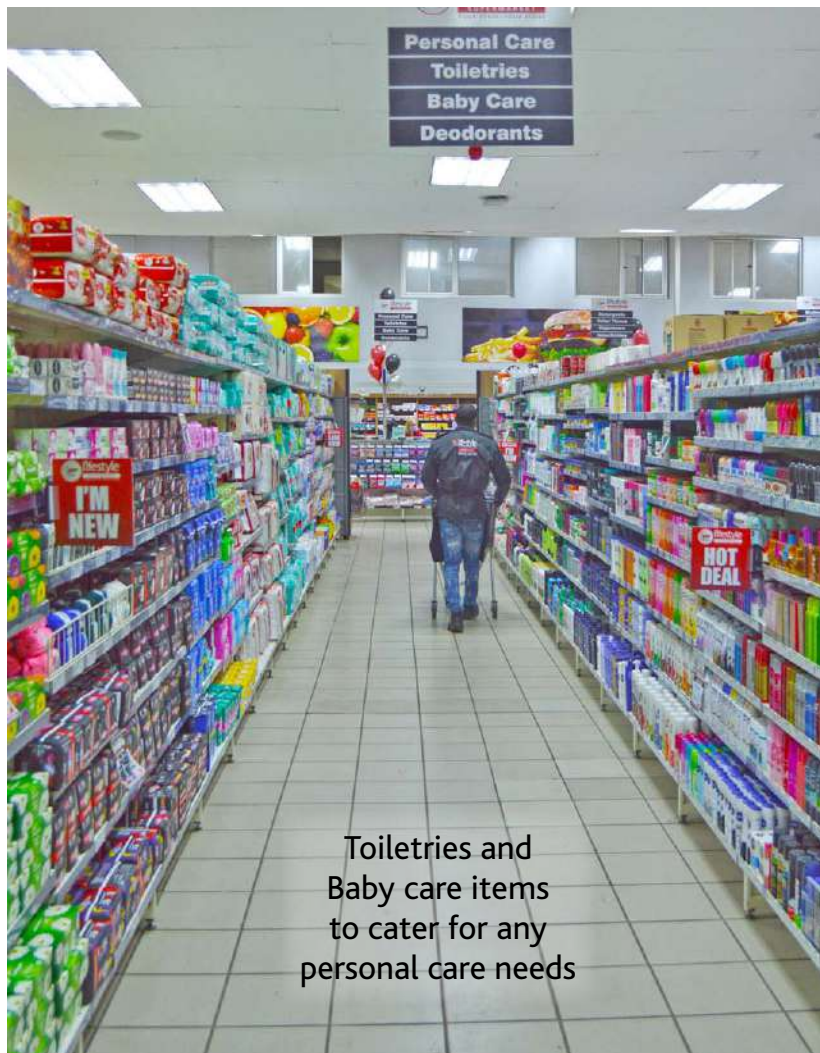
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Fresh baked goods ready to satisfy any sweet or savoury tooth



Toiletries and Baby care items to cater for any personal care needs



Extensive range of stationery



Wide range of household appliances



Bakkie Hakkie a special item available in the store



Thirst quenchers



A view of the tills and wide aisles





# Highest Court decision has implications for all loyalty programme providers

By Joon Chong

Partner at Webber Wentzel

The Constitutional Court recently handed down judgment on the Clicks Retailers (Pty) Ltd v CSARS case, which has wide ramifications for all loyalty programme providers. Loyalty programme future expenditure will as a result, be claimable only if the obligation for such expenses is imposed in the same income-producing contract.

Section 24C of the Income Tax Act 58 of 1962 allows a deduction of future expenses if income received in the year of assessment places an obligation on the taxpayer to incur the future expenses in terms of the **same** contract. Section 24C has three requirements:

- income earned by a taxpayer in terms of a contract (the income-producing contract)
- an obligation on the taxpayer that requires future expenditure which will be financed by this income (the obligation-imposing contract)
- contractual sameness of the above.

Clicks had claimed a section 24C allowance for future expenditure which will be incurred on its ClubCard loyalty programme. The Commissioner rejected the claim and Clicks appealed to the Tax



Court, which found in favour of Clicks. The matter was subsequently referred to the Supreme Court of Appeal (SCA) and then to the Constitutional Court.

The importance of the Constitutional Court's judgment is that it expanded on the meaning of 'contractual sameness' which had been decided on in a 2018 judgement on section 24C. In Big G Restaurants (Pty) Ltd v CSARS, the Constitutional Court confirmed that the income-earning and obligation-imposing contract should be literally, the same contract; or sourced in two or more contracts

that are so inextricably linked that they meet the requirement of sameness.

Clicks relied on the contract of sale as the income-producing contract. Clicks argued that the income from this sale contract is used to finance future expenditure in the performance of its obligation to redeem loyalty points and hand over discounted merchandise for a ClubCard customer.

When a customer signs the ClubCard contract, a 'composite contract' consisting of the income-producing sale contract, and the ClubCard obligation-imposing contract comes into existence. These two contracts are 'inextricably linked' because they operate together. The obligation to award points governed by the terms of the ClubCard contract is only triggered and given content when a qualifying purchase is made in terms of the sale contract.

The Tax Court ruled in Clicks' favour. It held





that the income-earning sale contract and the obligation-imposing contract to incur future expenditure were inextricably linked.

However, on appeal, the Supreme Court of Appeal (SCA) rejected this approach. It confirmed the principles articulated in the Big G judgment. The SCA held that the sale contract was the income-producing contract, and the obligation-imposing contract was the ClubCard contract. These were two separate and distinct contracts, which meant Clicks did not meet the 'contractual sameness' requirement.

The Constitutional Court held in the appeal on the SCA judgement that the sale contract and the ClubCard contract were inextricably linked. The contract of sale provides the specificity and content to the terms of the ClubCard contract, effectively establishing the specific ambit of the obligation incurred by Clicks.

However, the court found that these two contracts do not meet the requirement of sameness for these reasons ...

- The two contracts are independent of each other. The existence of one does not depend on the existence of the other. Sameness is achieved when each contract cannot be entered into and exist without the other.
- The obligation-imposing contract (ClubCard contract) does not depend on the existence of the income-producing sale contract. This is particularly the case where Clicks has agreements with affinity partners or third-party merchants such as Discovery, NetFlorist or Nu Metro. Purchases



made by a ClubCard holder from these suppliers would give rise to an obligation on Clicks to incur future expenses in terms of the ClubCard contract. However, there is no corresponding income earned from a sale agreement for Clicks. (On this point, the Commissioner had argued that this in effect breaks the link between the income and expenditure contract, as income accrues to the affinity partner. Yet Clicks is obliged to finance the future expenditure.)

- Likewise, the sale contract does not depend upon the ClubCard contract for its existence. Clicks continues to earn income from the sale of products and services to non-ClubCard members, and this is not because Clicks agrees to provide discounts to ClubCard members based on their points earned.
- The terms of the sale contract are the same for ClubCard customers and non-ClubCard customers.
- Both contracts function independently and are complete contracts on their own. The terms of one contract exist independently of the other.

The generation of income is not regulated by the ClubCard contract, and no aspect of the sale contract is dictated by the ClubCard contract.

Accordingly, the Constitutional Court found that the ClubCard's future expenses do not qualify for the section 24C allowance.

There has been an increase in tax audits and disputes relating

to section 24C since the Big G SCA decision. This judgment has further clarified the section 24C requirement of 'sameness', and how difficult it is to meet this requirement. The impact of the decision is not good news for loyalty programme providers – loyalty programme future expenditure will now only be claimable if the obligation for such expenses is imposed in the same income-producing contract. This is very restrictive.

Notably, however – there may be scope for a counterargument – the Interpretation Note 78 Allowance on future expenditure which was issued by SARS on 29 July 2014 (IN 78) discusses claiming the allowance in contracts such as gift vouchers and warranty contracts. An interpretation note is an official publication which is a practice generally prevailing. For certain types of contracts, there is perhaps scope to argue that SARS is precluded from issuing an additional assessment on the basis of the IN 78 being the practice generally prevailing at the time of the original assessment. **SR**

