# The Mercator model in the Balkans Loyalty and localisation are the attributes that the Slovenian brand follows to satisfy both consumers and suppliers

"Mercator najboljši sosed" ... the Slovenian for "Mercator, the best neighbour"!

A Slovenian brand, Mercator, based in Ljubljana, operates in Slovenia, Croatia, Bosnia Herze-govina, Serbia, Montenegro, and North Macedonia.

For about 15 years, it has also extended its strategic plans to Bulgaria and Albania, with the aim of standing out not only in the Slavic territorial domain, but throughout the Balkan region.

Mercator is owned by the Croatian Fortenova Group, which operates both as a manufacturer and as a distributor (since 2019) in Central and South-Eastern Europe.

Fortenova's strategy consists of collaboration with local suppliers, maintaining and developing short supply chains, developing agri-food production of local origin in all the markets in which it operates and investing in knowledge and innovation in order to enhance competitiveness.

In food manufacturing, retail chain management and agriculture, this Group has developed more than 4 000 products and provides a large number of services.

Fortenova has over 45 000 employees, 29 production plants and more than 2 500 sales outlets and distribution centres: it is the largest private employer in the South-Eastern European area.





#### Mercury EK-2100



# **Built to Fit In and Get Down to Business**

The Mercury EK-2100 Series is a 21.5" interactive kiosk with a stylish, compact, and functional design that helps retailers implement contactless, safe, efficient, and reliable service to the customers.











EMV Supportive\*



NFC/RFID Reader

Fingerprint Sensor

2D Scanner Status Indicator

Power Safety

\*Posiflex does not sell the EMV payment devices, but can provide bracket support with an additional charge

# **Ingenious Design**

With the choice of floor-standing or countertop, the Mercury EK-2100 Series ensures flexibility to meet the needs in any retail setting.

# **Easy Serviceability**

Engineered for easy assembly and maintenance, Mercury EK-2100 Series lets retailers assemble and switch out components easily.

# **Seamless Integration**

Mercury EK-2100 Series offers a flexible solution with a variety of choices of peripherals including a Fingerprint sensor, an NFC/RFID reader, a 2D scanner, and a bracket for EMV payment devices.



The 'key sectors' of this multi-faceted business are retail, the production of beverages, edible oils, fresh and processed meats, milk, dairy products and agricultural products.

Mercator has developed an excellent distribution model and they range from well-located 100m<sup>2</sup> convenience stores to large hypermarkets.

This ensures that over 750 000 Mercator customers have a Mercator loyalty card, and this is from a total population of just 2,1 million residents. This means that just about every family in Slovenia is a loyal supporter of Mercator, which matches its slogan "Mercator, the best neighbour".

The distributive quality of Mercator (intimately linked to Fortenova) is expressed in multiple characteristics, which are unequivocally recognised as a retailer.

#### The loyalty strategy

As described above, the Pika loyalty card is widely used throughout the trading areas of Mercator. Promotional activity around the card includes the usual discounted products, special days with double or triple points, pensioners' discounts, specific promotions supported by the supply chain partners, as well as a digital option.

However, the brand is fully supported due to another card benefit – the return bonus.

Basically, the return bonus which is guaranteed for regular loyal customers, increases with the accumulation of points over a six-month period and provides, in percentage terms, discounts ranging from a minimum of 2% up to a maximum of 6% of the amount actually spent.

The fixed denominations of the discount vouchers that can be issued to Pika Card holders are equal to €5, €50 and €210. They are respectively obtainable as the consumer gathers various ranges of points. For example, as they gather 250 points, they earn 5 free points, equivalent to a 2% discount.

the prescribed period. Well-planned lighting highlights all parts of

The Mercator hypermarket fruit and vegetable area uses green and 'wood' crates for mass displays, to illustrate freshness and 'genuiness'.

Discounts increase dramatically, as the consumer saves further points. For example, the threshold of 1 250 points awards them 50 free points, equivalent to a 4% discount and the top discount of 6% is achievable when the consumer gathers a total of 3 500 points.

> The only snag is that all points and thresholds must be achieved within a period of six months, after which the points gathering exercise starts all over again. This ensures that loyal customers keep on supporting the stores in order to be able to use their respective discounts within

the store, especially the fresh produce section.



The aim of the exercise is to nudge customers to reach the threshold of Euros 3 500 (close to R70 000) in a six-month period to earn the 6% discount – not an impossible task, if one concentrates the family's grocery spend in the Mercator stores and does not dissipate it by shopping elsewhere!

Competitive chains elsewhere in Europe also have good bonuses but they are hardly more than 2% of the total spend per chain.

#### Here is an example of a typical promotional week:

- Wed Double loyalty points on purchases up to Euro 50 and triple points above Euro 50
- Thu 10% discount for pensioners for purchases above Euro 20 New week's promotional leaflet is available (Thu to Wed cycle)
- Fri 25% discount on selected products (not on the weekly leaflet)
- Sat 25% discount on a different range of products Free sports newspaper to all purchase over Euros 10

#### Differentiation on the domestic market.

In Slovenia, in addition to Mercator, there are also Spar, Lidl, Hofer, Tuš, Eurospin and E. Leclerc shops.

Mercator's plans to differentiate itself from the competitors are focused on their private label strategies, by focusing on the quality:price ratio to suit local tastes, as well as its localisation programme of promoting local tastes and flavours in each region.

Mercator is very proud of the products of the 'Radi imamo – We love homemade' range, from 160 local suppliers and 20 different cooperatives,



In the Mercator hypermarkets, the 'fresh market square' is located in the centre of the store. Here, prepared foods, cheeses, cold meats and other gastronomic specialties are served by highly qualified staff.

available in 255 Slovenian stores. This special range of products, with the image of a red heart, varies from shop to shop, as the socalled 'principle of locality' is followed when they are included in the assortments of each store.

In Mercator's stores throughout Slovenia, on special stands and shelves marked with a red heart, they constantly offer a wide selection of genuine homemade products from local farms and cooperatives .



Frontal view of the large kiosk dedicated to gastronomy, cured meats and cheeses.



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We sell Farms, Fresh Produce and Products! Find out more about us



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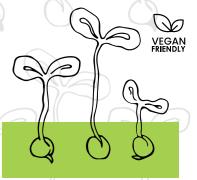
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Master Chef SA Winner - Roxi Wardman

MICROGREEN PESTO RECIPES WITH A ROXI TW/S>

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**Zesty pesto Sirloin** 



Satisfy & revitalize your taste buds with a burst of flavor! Order your Microgreen Pesto now

#### Excellence in localised food

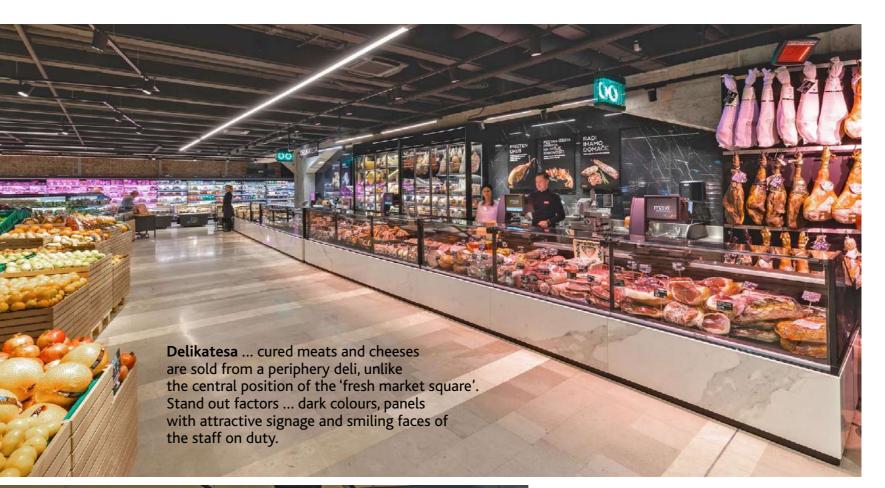
Here are some excerpts from the company's website.

#### Gifts from the countryside

"The Slovenian countryside is exceptional due to its above-average biodiversity, unspoiled nature and rugged terrain. Above all, it is something special because it is ours. We must therefore take care of its development and access to quality domestic products ourselves. Slovenian farms are more often small than large, as the terrain does not allow for intensive processing, but they can therefore bet on the quality of products rather than their quantity. Mercator has recognised their importance for decades and is expanding its domestic offer on store shelves near them. Of course, it is important that their excellence is also recognised by customers."

#### Natural taste

"We really love homemade, because the taste of products that have short delivery routes is simply better. Maybe homemade yogurt, apple juice or meats ... have a shorter shelf life, but they are made according to recipes that are known to us and written in our genes. In principle, such products are not treated with preservatives, as they fully ripen before they are picked. They contain more vitamins and minerals and have appropriately better nutritional values."





Area of a fruit and vegetable department, with 'ready-to-eat' display and dispensers for 'self-service' juice and dried fruit.

#### The importance of self-care

"In times of various economic and health crises, the importance of selfsufficiency becomes even greater, as it ensures an uninterrupted supply of basic foodstuffs. In this way, we are independent of external traders and can therefore feel more secure even in changing circumstances. In Mercator, we work with many Slovenian cooperatives and farms, whose products are part of the Radi imamo domnaje brand. In this way, we promote the preservation of the countryside, reduce environmental pollution due to long transport routes and help preserve important jobs.



#### STOREWATCH: Coop Switzerland

Some examples of our homemade ranges include smoked pork ribs, wild boar salami, herbal tea syrup, sour milk with honey, goat and sheep yoghurt, local raspberries, blueberries and cherries, beet grits, and many more."

#### Gastronomic regions of Slovenia

"The gastronomic regions of Slovenia are closed cultural-geographical areas where the concentration of a certain number of dishes is the greatest and enables their limitation. In these 24 regions, after some additions, today there are 365 typical local and regional dishes and drinks. Anyone who wants to get to know the most recognisable dishes and drinks can taste something different every day for 365 days.

At Mercator, we feel a duty to highlight the importance of preserving indigenous, domestic, and traditional varieties and animal breeds, as well as their preservation as part of cultural heritage and an important contribution to greater biodiversity in the Slovenian countryside.

Slovenia is home to 13 indigenous and endemic and 14 traditional animal breeds, as well as 41 indigenous/endemic and 18 traditional plant species.

Examples include indigenous cicada cattle, Slovenian buckwheat, indigenous Bovska Sheep, traditional brown hens, Slovenian roe dear goats, Sana goats, Karst-Poland pigs and Carniola round cabbage.



As we explore various European chains in Supermarket & Retailer, it is obvious that sustainability and localisation are becoming more and more important for various chains to differentiate themselves from the international chains. **SR** 



'Radi imamo domače' brand (We like it homemade), image with goat yoghurt tasting suggestion, in a 200 gram jar.

**Pekarna** ... display of bakery products in a hypermarket. The carbonated soft drinks on display match the Slavic habit of consuming drinks with bakery products.



'Radi imamo domače' brand (We like it homemade), image with tasting suggestion of organic sheep yoghurt, in a 200 gram jar.





# **Effective solutions** to reduce the cost of in-store refrigeration

# **Polyurethane Injected Panels**

- Standard panels: Outer and inner skin of frost white Chromodek, also available in black finish.
- Polyurethane injected panels for superior insulation and adhesion.
- High-impact PVC interlock profiles on all edges provides totally sealed insulation and a perfect **Cold** vapour barrier.

**& Freezer** 

Rooms

- Tongue and Groove panel options available.
- Easily erected.

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Optional skin finish in Stainless Steel - Grades AISI 304 AIS 403.



# **Floors – Fabricated and Concrete**

#### **Fabricated Floors**

- The inside floor finish is 1.5mm Aluminium tread plate glued and screwed to a marine ply base.
- Galvanised plate options available in lieu of the Aluminium Chequer Plate finish.

#### **Concrete Floor**

• Concrete floors are used for flush or step-up entry and in permanent structures. Usually a recess of 150–170mm is used to accommodate the foam slab insulation and the concrete screed.



## **Meat Rails**

- Hot Dipped Galvanised system.
- Support structure integrated into insulated panels.
- Optional free-standing continuous galvanised system with bends and switch gear.

## **Aluminium Chequer Plate**

- Installed as an option to protect panels from scratches and light impact damage.
- 1.5mm and 2.0mm thick options.
- Standard height 1250mm AFFL.







# **Benefits of Airshield Glass Doors**

- Reduce Energy consumption.
- Extend Product shelf life.
- Double Glazed Argon filled void for better insulation.
- Optimal Product temperature.
- Glass doors have an option of Mullion lights. Quoted separate.
- Handles included.
- Up to 40% energy saving.
- Solution for new cabinets or retrofitted on existing cabinets.

Airshield

- Doors are spring loaded.
- Less cold air spillage warmer aisles.



# Ways to save

With energy cost rising and food retailers looking to improve the shopping experience 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.

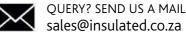
Meanwhile, customers are able to clearly see and access the products on offer. Reduced energy requirements means smaller refrigeration plant selection for new stores. These savings will off-set the initial cost of the doors. Up to 40% reduction in refrigeration requirement has been achieved.



Standard Airshield Glass Doors with a Black Frame. Heated Hybrid also available in this design. Heated Hybrid Glass Doors are fitted with a heater to reduce condensation on the doors in Coastal areas. Heated Hybrid is fitted with soft closers.

Premium Airshield Glass Doors. Frameless Door with Argon Gas filled for better insulation.





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