

# SUPERMARKET & RETAILER

PROFIT FROM MARKET FIRST INFORMATION



Business knowledge for smart retailers  
ISSUE 5, 2020 [www.supermarket.co.za](http://www.supermarket.co.za)



**Storewatch  
Sri Lanka**



**Aki Kalliatakis –  
Creating amazing experiences  
for your customers**

**Nielsen investigates  
‘the new shopper normal’**

**How to communicate  
commitment to  
sustainable packaging  
and procurement**

**Payment solutions: Digital transformation, accelerated**



# Contents



## FEATURES



### Payment solutions & retail automation

Digital transformation, accelerated: Safety and hygiene measures put in place to combat the spread of COVID-19 have accelerated the availability of alternative, cashless payment solutions in

South Africa. A wide range of mobile money transfers, online, and debit and credit card transactions are being encouraged.

### Sustainable packaging – Part 3



We explore how organisations can communicate their commitment to sustainable packaging and procurement

through the FSC on-product label identification and other communication tools to give your

customers an assurance that your business has chosen to source responsibly.

## STOREWATCH



### SPAR Sri Lanka

SPAR launched the brand in Sri Lanka with the opening of its flagship store on the outskirts of Colombo, in April 2018, in partnership with Ceylon Biscuits Ltd. Subsequently, an additional three stores have been opened, with a further five stores currently under construction.

## COLUMNS

### Customers first

Aki Kalliatakis gets back to basics to give a few lessons about creating amazing experiences for your customers. If you don't, your business is probably doomed to a slow death.

## NEWS

### Nielsen research

'The new shopper normal' as South Africans shift from pantry loading to everyday shopping as mindsets and behaviour of shoppers evolved during the nationwide lockdown.

### Concept store

Changes in lifestyle demand a re-think of the retail offering. Consider the merger of freshness and technology to give a new shopping concept.

### New trends

We explore the data to find out what South Africans are buying and how they are shopping during the lockdown.



**Advertisers** Click on logo for more information



www.supermarket.co.za



# Tropical paradise made of hard work



Helen Maister

One of my favourite places to connect with industry people is on LinkedIn. In my scrolling, I came across Wayne Hodson, MD of Spar Sri Lanka. I was so impressed with the beautiful photos of fresh produce and new builds coming through. I contacted him and

asked to do a 'Store Watch' on Malabe Spar. He came back to me and said, "Can we do the whole operation?" The answer was a resounding "Yes!!!" from me.

Wayne has worked tirelessly for this tremendous success. He has had many challenges along the way. This includes COVID when Sri Lanka closed supermarket retail for seven weeks. This did not stop Wayne, he pivoted! He launched the online store within 48 hours.

He has cultivated a phenomenal team that take action and help him implement his vision. This is an incredible visual journey of Spar Sri Lanka that we share in this issue. I am so proud to be able to bring this to you, my readers.

Each retail success is a success for all of us at *Supermarket & Retailer*. We are with you all the way.

Evolution in payment technology was inevitable, but COVID-19 turbo-charged the game. More than

ever there is a need for fast check-out systems. Is cash still king? What's the difference between cashless and contactless? Is your money safe from fraudsters? Find out what payment solution is best for your store. We have done the research for you.

We also feature: The final article on sustainable packaging in this series. Our favourite column writer, Aki Kalliatakis, gives us insights into customer service in 'Delight Your Customers' and a very interesting store concept from Italy.

It continues to be a privilege to uplift this industry with information that results in profits for the retailer and savings for the consumer.

I am loving all the positive feedback I'm getting on LinkedIn. If we haven't connected yet, please find me here: <https://www.linkedin.com/in/helenmaister/>

Join us on our various platforms ...

[www.supermarket.co.za](http://www.supermarket.co.za), on FB <https://www.facebook.com/supermarketandretailer>, IG @supermarketza, myself on LinkedIn <https://www.linkedin.com/in/helenmaister/>, twitter @Supermarketmag or subscribe, if you haven't already, at [info@supermarket.co.za](mailto:info@supermarket.co.za)

Blessings and blessings

Helen Maister

**Helen Maister**



# Does 'Customers first' mean wearing your underwear on the outside?



Aki Kalliatakis

Delight your customers

aki@leadershiplaunchpad.co.za

www.leadershiplaunchpad.co.za

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.



**A few basic lessons about creating amazing experiences for your customers**

In my more cynical moments – and I don't have too many of them, I might add – I sometimes wonder about whether companies actually believe all of their slogans. Just about every business has some kind of catchphrase or motto that describes their commitment to giving customers unique experiences. 95% of the time customers will disagree.

But this column is not called "How to upset your customers without really trying," so as we move into a new era of business unusual, I'd like to get back to basics and talk about a few lessons about

creating amazing experiences for your customers. If you don't, your business is probably doomed to a slow death.

How do you put 'customers first' and give outstanding and remarkable service? Sometimes you have to just do the opposite of what others do. You just have to be a bit original. Halfway between Johannesburg and Nelspruit there are about 10 places where you can have a break and fill up with petrol, but only one of them – the ALZU Petroport, which is the busiest one – makes a show of it all. I'm talking about the choice of a few

restaurants, a kids' play area, impeccable toilets, and most of all a view of the veld with wildlife, including a few rhinos, zebra, gemsbok and more. It just puts you in the right mood for your trip.

I had a boss a long time ago who'd say that when customers asked something, or appeared confused, frustrated or distracted, we'd all have to say ...

“ The answer is yes!  
Now, what is the question? ”

This is the very essence of developing great relationships, empathy and trust, and that in turn





makes you day a better one, whether you are the CEO of a multi-billion rand company, or someone who has to deal with customers on the front line every day.

We somehow know great customer care when we see it and feel it, but how do you define it? A great place to start is with the things that frustrate your customers. What are the bits of your business routine that make them want to walk away? It sometimes just starts with some simple things. Some of you may remember many years ago there was the original Black Steer steakhouse restaurant in Yeoville in Johannesburg, and the queues were sometimes 90 minutes long. As impatient as I am, I never once complained. Amongst other things, the co-owner, Colin, would come around every 20 minutes or so with a tray of cheap sherry and apologise for the wait in the most gracious way and everyone was okay with that.

“ In the USA there’s a great expression about not ‘nickel and diming’ your customers: charging them extra for little things after they’ve already paid over good money. ”

It’s always these little things that seem to be a source of great irritation and exasperation, so just stop doing them. If you have to, add a couple of rand extra to the original price to cover these costs and let customers feel they are getting something for nothing. Imagine if you went to a stadium, paid a huge amount of money for your entrance ticket



and then discovered that you also get free popcorn, a free meal and free drinks included. Wouldn’t that make you feel like a VIP? It’s happened to me with an UBER taxi driver, who had a free newspaper and offered a free cold-drink when he took me to the airport. I still have his number on my phone. What lessons can you learn from other companies outside your industry?

If you really can’t think of anything to do, send your team out to be undercover customers in your business and see what it’s like. Whether it’s trying

to find safe parking, standing waiting in queues to get a special order, waiting in even longer queues to pay an unsmiling cashier, finding out that the bag your shopping was packed in has a tear in it, all of these and more will give you great ideas that may boggle your mind. But then from this experience you can learn something.

I’ll give you one example: one business in Cape Town called the parking attendants the ‘Parking Penguins’ and then someone had an idea that they should also really dress them up as penguins.

Customers – kids and adults alike – loved it.

One of my most enduring memories of the Black Steer was of the waiter, Jallows. He was really tall and looked like an old movie cowboy – an African version of John Wayne or Clint Eastwood. The big black Texas Stetson hat on his head gave him a sense of aloofness, and I don't think he smiled a lot – unless there was a kid with you. Then his huge smile lit up the whole room! Just a hat and a smile made the biggest difference, and created memories that last for decades.



“ So what brings a smile to the face of your customers? What will make them remember you for years? ”

It doesn't have to be complicated, but it's got to be like show business. I've seen a few examples and idea from our clients and their staff ...

- There's a minor league baseball team in the USA where they have 'Flatulence Fridays'. Some customers in their small stadium get whoopee cushions taped under their seats, and when the announcer gives the "Go!" hundreds of people pretend to let off loud farts. Nobody has ever complained.



- In a bank branch in Botswana, the staff start the day with a ritual dance and a song to get fired up for work every day. But sometimes they also spontaneously do this in the middle of the day and, once again, the customers love it, participate, and want to do it again.
- I know it's a bit childish and trivial, but juvenile humour is enjoyable to most people. One pub/restaurant had a 'Salute to Underwear Challenge' where customers who walked into the restaurant with their underwear on the outside got a free drink – an adult slushie with booze in it! You can imagine how full they were on those nights!

And remember that your ideas are perhaps the currency, but you don't create a loyalty revolution if your team don't own them and if you don't make it easy for them don't implement. Go out and do what you need to do. Be innovative. Be patient. Persevere. And persist. Your reward will definitely come. **SR**





# Payment solutions and retail automation: Digital transformation, accelerated

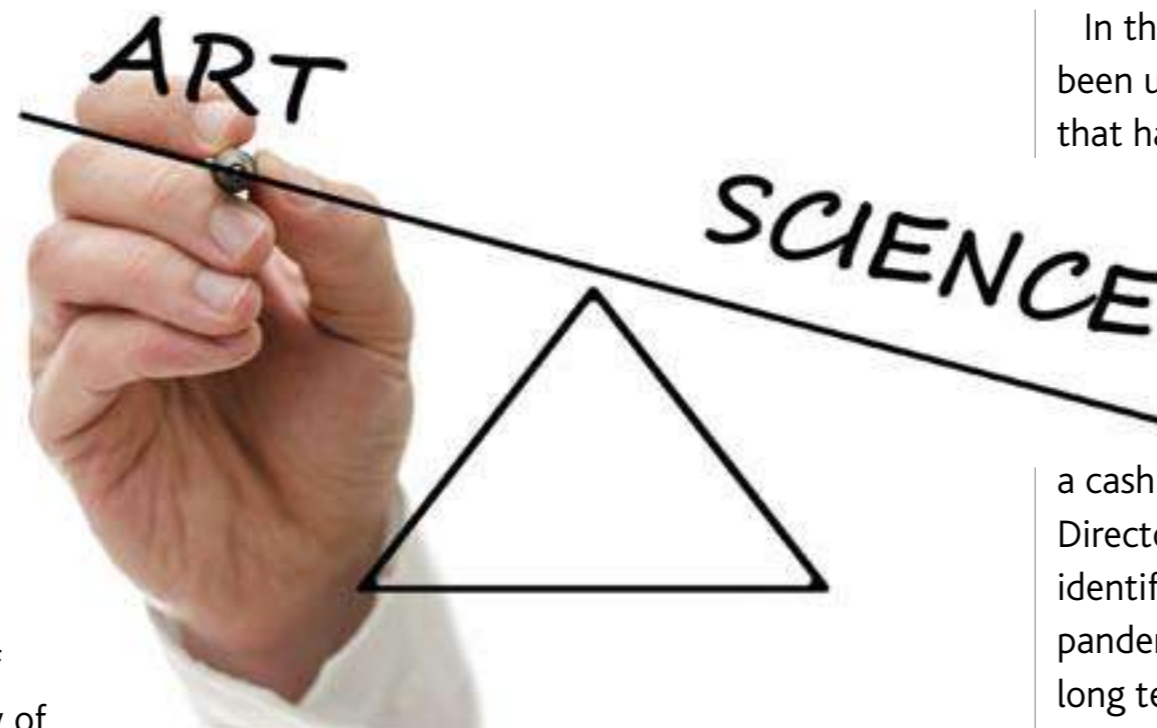
## Provide your customers with a seamless payment experience in an increasingly digital world

For years now there has been talk about a cashless society. While cashless payment methods, eCommerce and retail automation have become the norm for B2C trading in first world countries, it still only accounts for a fraction of trading in South Africa and other developing countries.

### Contactless payments surging as pandemic continues

Safety and hygiene measures that have been put in place to combat the spread of COVID-19 are accelerating the availability of alternative, cashless payment solutions in South Africa. A wide range of mobile money transfers, online, and debit and credit card transactions are being encouraged as opposed to cash, which has been identified by the World Health Organization as a possible source of transmission of the virus.

All South African retailers are open for business, but with stringent Covid-19 protocols in place, the pressure is on for stores to make greater provision for contactless payments. In addition, businesses



**It is crucial that retailers keep up with the trends in balancing the science and art of retail automation as it interfaces with nearly every aspect of business.**

that had not been recognised as essential services by the government's strict preventative approach had been pushed to quickly provide online alternatives or face complete ruin – which has sped up digital transformation for many businesses.

In this way, the notion of a cashless society has been unceremoniously accelerated by the measures that have come to mark our daily come and go.

### Global trends: The top ways in which Covid-19 will impact payments

Besides the strong push towards a cashless society, Sulabh Agarwal, Managing Director of Global Payments at Accenture, identifies seven more ways in which the Covid-19 pandemic will impact payments globally in the long term.

Here we have a look at how these global trends will affect your business, and what you need to keep in mind with changing consumer behaviour.

#### 1. A new need for fraud protection

According to Agarwal, the increase in online traffic, and the radical change occurring at high speed around the world, also increases the opportunities for fraudsters and scammers. In response, retailers will need to make significant investments to improve fraud prevention and detection.



## 2. A changing trust equation

The pandemic may change the nature of trust in payments for two reasons: The first is the rise in fraud, while the second is the generally higher level of economic distress worldwide. As money gets tight for businesses and individuals alike, payments will be watched very closely, says Agarwal. For businesses, this will result in more pressure on their customer service departments. Building and keeping the trust of customers will become more difficult – and more important – than ever before.

## 3. A tougher economic environment

As spending takes a downturn, consumers and businesses alike will have increasing expectations regarding customer experience and service delivery. Cashless or contactless payment options will be expected – and will need to be presented to the customer as easy alternatives.

## 4. Tighter cashflow management

The pandemic has pushed a huge proportion of the world's population, along with businesses of every size, into challenging financial situations. As a result, general scrutiny of all outgoing cashflows is likely to increase. Agarwal goes on to say that, on the level of individual consumers and small businesses, the use of payment instruments like direct debits and recurring card payments is likely to shrink and be replaced by 'request to pay' and other tools that allow for greater control.



Ukheshe provides anyone with the means to accept contactless payment via Smartphone scan. (Image courtesy of Mastercard)

## 5. Growth for tokenized mobile wallets

Agarwal expects the use of token-based digital wallets like Apple Pay and Google Pay to grow in the future, while the use of physical payments cards may shrink. However, Brendon Kleynhans, Head of Research and Development at GAAP point-of-sale solutions, mentions that such digital wallets have only recently appeared as viable options in South Africa, and it will still be years before it become commonplace.



## CASHLESS OR CONTACTLESS?

Yes, there is a difference between 'contactless' and 'cashless'. While 'cashless' payments are often 'contactless' as well, distinguishing between the two mainly comes down to information flow.

So, what is meant by these two terms, and why are they important?

**Cashless payments** can include payments by SMS, mobile payments via applications like Apple Pay, Android Pay, Google Pay and other e-wallets or preloaded cards, as well as payment with loyalty points like Discovery Miles, FNB eBucks, or PicknPay Smartshopper points.

One of the major benefits of cashless payments is to provide retailers with the opportunity to capture their customer's information. Keeping this data enables understanding customers' spending habits, frequency, and needs, creating relevant and timely opportunities to grow revenue.

**Contactless payments** include payment by debit, credit, or smartcards ('tap and pay') enabled with radio-frequency identification (RFID) technology, or smartphone apps like Zapper or Snapscan making use of near-field communication (NFC) technology.

Contactless payment solutions, where customers pay with their existing bank-issued debit or credit cards, send all the data and information about transactions to the participating banks. Companies are not in control of their own financial ecosystem, and cannot gain insight into their customers' behaviour.



## 6. An explosion in online shopping and other digital checkouts

There are two major implications of the explosion in the use of online shopping and delivery systems for payments providers and their customers, says Agarwal. Firstly, any business providing a sub-standard online shopping and checkout experience is now under scrutiny. Such providers will have to urgently improve their systems. Secondly, as more consumers turn to online ordering for everyday purchases like groceries, some are likely to be annoyed by how repetitive the process is. If your grocery order is mostly the same each time, why should you have to enter it anew every time you order? As an aside, these online shoppers may be more open to ordering their routine items using devices such as smart fridges enabled by the Internet of Things (IoT). This could include, for example, automatically scheduling a grocery purchase once certain items in the fridge are low in stock.

## 7. Changing customer behaviour will drive digital innovation

Innovations in the payments industry will have a key role to play in revamping the economy post-Covid-19. According to Agarwal, such innovations will include opportunities for:

- Replacing cash with digital payment systems
- Building infrastructure to support more merchants working remotely
- Adopting digital currencies into universal payment solutions
- Embracing cloud-based infrastructure, automation and analytics to reimagine scale



Online shopping and e-commerce is likely to stay well after Covid-19.

(Image courtesy of @Mediamodifier on Pixabay)

“ Although it is estimated that South Africa is approximately 20 years behind first world countries in terms of implementing technological innovations such as these, it is important to keep these future trends in mind when deciding which payment vendor to go with. ”

### Are South African consumers ready to go cashless?

While many consumers still have reservations about cashless or contactless payments, due in a large part to the fact that they are not familiar with how it works, or distrust the security of contactless or online transactions, the benefits seem to far outweigh the drawbacks.

From a consumer perspective, cash is inconvenient, dangerous to carry, and expensive. For businesses, accepting cash also comes with several risks, such as increased crime risk and internal theft. But for some older-generation consumers, and those of low-income households or residing in rural communities, cash is preferred, because they understand it and trust it. Such financial and regional restraints have hampered the growth and feasibility of cashless payment methods.

According to the Global Findex, 57 percent of people in sub-Saharan Africa are 'financially excluded'. Without access to formal financial tools, these people remain locked out of many economic activities, have extremely limited retail choices, cannot access credit, and often pay more for goods and services.



Rulof Burger, Behavioural Economics Director at Predictive Insights, notes that there is an important education job to be done to raise people's awareness of the cost of withdrawing cash. "The accumulated costs of relying on cash are expensive. There are also many indirect 'costs of cash' to consider – like convenience and time. Drawing cash means you must travel to an ATM to get it, and then wait in the queue to be served. You also lose out on interest by withdrawing your money, instead of keep in an interest-earning account."

Across Africa, there has historically been a heavy reliance on cash, with around 95 percent of retail transactions taking place in cash. So, in a world where the trend is to go cashless, with countries like India already having fully cashless villages, how does South Africa fare?

A Twitter poll conducted by Capitec in 2019 found that 35 percent of South Africans could picture themselves transacting purely digitally, while a further 10 percent said 'maybe'. The poll was conducted by Capitec as part of its #GoCashlessChallenge, an initiative to draw attention to the cost of cash. One of the results indicated that people still pay cash for several essentials, predominantly, transport (59 percent of respondents), food (25 percent), and services (7 percent), because they have no other choice.

In contrast to this conservative view, DPO Group (formerly Paygate) CEO Eran Feinstein was reported as saying that a "massive paradigmatic shift" in the payments field is already underway in certain parts of Africa. East Africa specifically,



Automated cash-handling machines at President Hyper. (Image courtesy of Arch Retail Systems)

he notes, offers a good example of this. As of today, a little under 13 years after the launch of M-Pesa in Kenya, there are nearly 200 million consumers subscribed to mobile money services. At the beginning of 2020, 80 percent of the population already carried a mobile device and by 2025, two-thirds will have a smartphone.

### **Innovation in local in-store payment solutions: a response to Covid-19**

South Africa can expect significant growth in contactless and cashless payments on the back of Covid-19. It is also likely that the public's newfound (and sensible) aversion to contact will

spur additional innovation, especially given the uncertainty around second and third waves.

"There is no doubt that an unintended consequence of the coronavirus will be the fast-tracking of the cashless society we have all been talking about for years," says Brendon Williamson, Chief Security Officer at DPO SA. "We expect to see contactless payment methods like MasterPass, Zapper and SnapScan gaining a lot more traction."

These technologies allow customers to securely download a free digital wallet from any of the major South African banks to their mobile phone. Customers can then safely and simply pay for their purchase by scanning a QR code at the till from



the app and entering their bank PIN on their phone. This means that customers and cashiers don't have to exchange a bank card, and the payment pin pad is avoided.

But many payment methods never take off, warns Kleynhans. Some providers of QR payment solutions might believe that their systems will be used frequently, but then almost never get used – leaving the companies who paid for the integration of that system at a loss. 'Nowadays, there are so many payment methods available. Our technicians have integrated a number of new payment methods on the request of clients, which then barely get used,' he says.

Some retailers who have taken measures to incorporate contactless mobile payment systems include Pick n Pay and the Shoprite/Checkers group. In April 2020, Pick n Pay launched its 'Scan & Pay' technology at all till points nationwide, to allow customers to go completely contactless when paying for their shop. The Shoprite Group also started introducing the ability for customers to make payments using mobile payment solutions in April this year. The QR payment method is currently available in 29 Checkers stores and will be rolled out to all stores including Shoprite, USave, Checkers and Checkers Hyper stores across South Africa within the next two months.

### What about smaller retailers?

While bigger retailers and corporate retail groups are spoilt for choice when it comes to options for expanding, integrating or implementing contactless

payment systems, many informal traders and micro-businesses, and their customers, do not have the means to easily conduct business without physical cash.

Clayton Hayward, co-founder of Ukheshe, a micro transaction platform, says that internet banking, electronic transfers, mobile banking apps and USSD transfers are better alternatives for controlling the spread of coronavirus, while also providing extended value to users: "With a good understanding of what the majority of the market is currently facing, Ukheshe has launched a 90 day 'zero rating cash management fee' to assist merchants and consumers using the platform." Launched in 2019, Ukheshe provides e-money services and is the only micro-transaction platform to align with the South African Reserve Bank's requirements set out in 2009. Hayward mentions that the initial intent for launching the service was to address the 11 million unbanked or underbanked consumers in Southern Africa, and that the startup aims to resolve complex financial challenges in the region.

"Thanks to a strong partnership with Nedbank and Mastercard, Ukheshe is the only card association acquiring platform that does not require a merchant to have a bank account and can offer consumers from all income groups a diverse range of e-money services," says Hayward.

Another problem smaller retailers and merchants often face is the cost of renting or buying a card machine. Not all customers are able to, or know how to, conveniently make an EFT or QR payment.

Products such as PayPoint – a virtual point of sale card machine – offer merchants the ability to manually process credit card payments without having to use a physical POS (Point of Sale) machine. The payment is processed in real-time and the transaction status is displayed to the merchant.



Arch eStore allows retailers to integrate their online shopping with their existing POS systems. (Image courtesy of Arch Retail Systems)

### Automated cash management

Contrary to many predictions, the days of physical cash are not numbered. According to Richard Phillips, automated cash handling saves money and time, and allows the business owner to focus on his business.

Erik van As, Head of Research and Development at Arch Retail Systems, agrees. "Automated cash handler machines have significantly reduced time spent on cash-ups and disciplinary actions taken against cashiers as a result of suspected theft. This automation has, in turn, reduced management overhead and cashier turnover."

# Want to improve your efficiency and profitability?



Integrated retail  
management  
solution



giving you the edge



Retail



Enterprise



Mobile



Financial  
Integration



Loyalty



eStore



Value Adds



Fuel



Hardware

+27 21 556 2724  
webinfo@archsoftware.co.za  
www.archsoftware.co.za





In addition, cash handling machines also reduce the number of hands touching the cash. Retail automation is an integral aspect of innovative payment solutions, and integrating in-store business processes is one of the best ways to increase operational efficiency. Likewise, to manage retail systems successfully, business owners require versatile management modules that offer multiple functionalities, providing operational order and discipline, while meeting customers' shopping expectations.

A successful store solution should provide more than a speedy check-out process. It's all about stock and margin management – by ensuring your store carries optimal stock of the right products; sells them at the correct prices; knowing which products to order, when to order them, and at what price; and having timely access to store performance reports, which are critical in making sound business decisions. "Integrating in-store business processes into a single centralised system means you incorporate versatile management modules with multiple functionalities. This means all modules or applications work together, with data synchronised across your business, and you can manage everything from one system," explains van As.

For retail stores looking to expand their in-store processes online, Arch developed the recently launch Arch eStore. This enables stores to seamlessly interoperate their POS systems via its ecommerce application programming interface

(API) with Snappistore, an existing ecommerce platform. Arch eStore allows consumers to shop and pay online, merchants to manage order picking and dispatching in Arch, and delivery via its delivery app.



**Delivering convenience, savings or both will likely prove most effective at driving in-store app usage.**

### **Innovations in payment solutions for eCommerce**

Choosing an e-commerce payment vendor that will best serve your business and customers can be a daunting task under normal circumstances. The rise in demand for online solutions for retailers has created many opportunities for scammers, as well as companies looking to take advantage of retailers pressured to make hasty decisions.

Leon Swartz, CEO of Frontpage Media, recommends that you choose an eCommerce platform that integrates well with your chosen payment

gateway. A payment gateway facilitates a payment transaction by the transfer of information between a payment portal (such as a website, mobile phone or interactive voice response service) and the front-end processor or bank on the other side.

Swartz advises that, before you build your eCommerce store, you should consider taking a free 14-day trial with Shopify, as most of the top South African payment gateways are supported on the platform, and the support and additional plugins are, in his opinion, the best on the market.

However, retailers should also do some investigating before deciding on a payment gateway, as some banks do not supply sufficient backend service for consumers. Accessing your money then becomes a long and arduous process. Kleynhans mentions that, in terms of eCommerce and other digital payment solutions, FNB and Standard Bank stand out as the two banks providing the most comprehensive service.

### **How to select the right payment vendor for your business**

With so many new innovations in cashless payment options, how do you decide which solutions will work best with your business model and serve your customers best?

"There is no 'one-size-fits-all' solution for retailers," says Erik van As. 'Based on their individual business models and margins, each retailer should decide what works best for them. Retailers will have more options if they partner with a provider that offers a broad range of integration solutions."





New POS systems can be linked with CCTV footage. In the case of theft or inaccuracies, all areas where a certain product was handled can then be retrieved by simply entering the SKU on the system.

### Are contactless payments here to stay?

The Covid-19 lockdown has escalated consumer use of contactless and cashless payments. But, will it have staying power?

“Right now, none of us are certain about second or third waves or further lockdowns, although the medical experts are certainly warning about them. However, even as we emerge from this first

lockdown, we can be sure that most customers will prefer to not hand over their cards or input their pin at paypoint machines, ATMs and other shared devices,” Williamson explains.

The generational resistance to digital commerce might just have been surpassed by practical needs. All available data indicate that online shopping, and cashless / contactless payments will remain

popular, due to the newly gained consumer confidence in such systems. But that shift – from cash to cards and from cards to contactless – will be an eventuality on the horizon rather than a quick pivot.

### A smooth and seamless experience

For many merchants, whether you are taking the leap of going completely cashless / contactless, or just incorporating a new payment solution that takes your store further along the journey, this process will require a mind-shift in how we do business.

While most consumers will do what is convenient, we are also seeing a movement towards an ever-increasing number of discerning customers who consciously decide where – and how – they shop.

As a merchant, you can either be commended for leading the way by anticipating what your customers want, or you can be dictated to by your customers if you don’t take action.

Whether you are expanding your business’s existing payment options, online presence and operationality, or moving into the realm of eCommerce for the first time, it is essential to ensure that your payment solutions provide a smooth checkout experience for your customers. Understanding how each payment method functions, and knowing who your customers are, will allow you to decide what to look for when deciding which payment solutions to integrate into your business. **SR**



# Practical solutions for retailers to embrace sustainable packaging

By Gerard Busse

Marketing Manager South Africa  
Forest Stewardship Council (FSC)

In our first two articles we looked at trends driving developments and preferences for more sustainable packaging options, as well as the role the Forest Stewardship Council® (FSC®), as the leading responsible forestry certification system, in providing assurance that responsible sourcing and production of forest based products is indeed taking place.

In this, the final part of our sustainable packaging series, we explore how organisations can communicate their commitment to sustainable packaging and procurement through the FSC on-product label identification and other communication tools.

## Why is it important to apply the FSC label and specify FSC from suppliers?

Packaging can be labelled as FSC if it is produced and labelled under a valid FSC chain-of-custody certificate. If your supplier is FSC certified and sourcing the FSC-certified materials on your behalf, the FSC label can be applied to your packaging, and

only an FSC-certified organisation can apply this.

To search for and verify FSC certificates you can use the FSC Public Certificate Search database: [info.fsc.org](http://info.fsc.org)

Specifying FSC-certified materials and asking your packaging supplier to apply an FSC label gives your customers an assurance that your business has chosen to source responsibly. It can also enhance your Corporate Social Responsibility policy and increase credibility with stakeholders,

governments, NGOs, and the general public.

An FSC-certified packaging supplier issues an invoice which includes the FSC claim(s) and their FSC certificate code. This is your assurance that you have purchased FSC-certified packaging.

## The importance of the FSC Label

FSC-certified paper and board is widely available and most carries either FSC 100%, FSC Mix or the FSC Recycled claim. We will expand upon these



Reproduced with the kind permission of FSC UK





categories later. Timber products and cellulose may also be sourced with FSC certification for use in packaging applications.

FSC labels can include a range of product types, including 'wood', 'paper', 'board' and 'packaging'. Packaging can carry the FSC label if it is produced using FSC-certified materials under a valid FSC chain-of-custody certificate. The FSC logo, the name Forest Stewardship Council and the acronym FSC are all registered trademarks in South Africa, Namibia and Kenya. It is the responsibility of the FSC-certified company to ensure that the trademarks are used correctly.

An FSC-certified company is granted access to the FSC Trademark Portal where they can download



Reproduced with thanks to Forestry South Africa

[Click here to visit our website and like us on Facebook.](#)



FSC labels featuring their own unique licence code, along with the FSC logo for on-product and/or promotional use. If you are creating artwork on behalf of an FSC-certified company, they may provide 'for placement only' graphics to incorporate into your designs.

There is provision within the FSC standards whereby two FSC-certified organisations can enter into an agreement which allows the supplier to label products with the buyer's FSC licence code. The products to be labelled need to be included in the certificate scope of both organisations.

### Promoting FSC certified products or products containing FSC-certified packaging

Brands such as retailers who buy finished packaging, labelled as FSC, from an FSC-certified company may apply for a promotional trademark licence to use the FSC trademarks in promotional materials and marketing campaigns.

By signing an FSC promotional licence agreement, companies can create their own unique and powerful point-of-sale materials, signalling their commitment to responsible forest management.

Use of the FSC trademarks via a promotional trademark licence can also help brands to enhance the transparency of their supply chains and communicate their corporate responsibility.

Some brands choose to hold their own FSC chain of custody certification in order that the licence code (within the FSC label applied to their products) links back to themselves rather than their supplier.

## The three on-product label categories:



### FSC 100%

All the timber or fibre in the product comes from an FSC-certified forest. FSC-certified forests are managed with consideration for people, wildlife and the environment. They are independently audited to meet FSC's Principles and Criteria for Forest Management.

### FSC mix

The timber or fibre in an FSC Mix product is a mixture of some or all of the following:



- Virgin timber/fibre from an FSC-certified forest
- Reclaimed/recycled timber/fibre
- Virgin timber/fibre from other controlled sources, i.e Controlled Wood, which is which has been assessed using the relevant FSC standards as being at a low risk in originating from unacceptable sources.

To utilise the FSC on-product label, the product must contain a minimum of 70% FSC-certified wood/fibre and/or recycled input, and the balance must be Controlled Wood.



### FSC recycled

There are various systems which may be implemented by organisations. All or a portion of timber or fibre must be pre-consumer or post-consumer reclaimed. To utilise the FSC on-product label, a minimum of 70% of the inputs must be post-consumer reclaimed.

There is no threshold for paper products, but all inputs must be verified as reclaimed.

In order to find out whether you are eligible to hold an FSC promotional trademark licence, please contact Gerard Busse from FSC South Africa, the trademark service provider for South Africa ([gbusse@fsc.org](mailto:gbusse@fsc.org))

13 of the 30 (45%) largest retail chains internationally have a Promotional Licence Agreement signed with the Forest Stewardship Council, signalling their commitment to responsible sourcing of forest-based products.

Thank you for taking this journey in looking at practical solutions that retailers can look at embracing sustainably sourced and certified packaging and products from forestry managed forests, and seeing how the Forest Stewardship Council can partner with you to achieve your sustainability objectives. **SR**



Credit to Forestry South Africa



The Forest Stewardship Council (FSC) is a global not-for-profit organisation dedicated to promoting environmentally sound, socially beneficial and economically prosperous management of the world's forests. It helps consumers and businesses identify products from well-managed forests and sets standards by which forests are certified, offering credible verification to people who are buying wood and wood products. For more information visit [www.fsc.org](http://www.fsc.org)







# Changing the Retail Landscape in

# SRI LANKA

Sri Lanka, formally known as Ceylon, is a small Island situated in the Indian Ocean, southwest of the Bay of Bengal. The Island is broken into 9 Provinces, the largest being the North Central Province. While the country is multi-religious, the majority of the population is Buddhist. Sinhala and Tamil are the official languages.



**255km**  
IN WIDTH  
**438km**  
IN LENGTH

**22**  
million  
PEOPLE

**70%**  
BUDDHIST

## PARTNERSHIP

SPAR, the world's largest voluntary food retail chain, launched the brand, in Sri Lanka, with the opening of its Flagship store, on 06 April 2018.

SPAR Sri Lanka (PVT) LTD is a partnership between SPAR South Africa and Ceylon Biscuits Limited, a local biscuit and food manufacturer.





## STORES

The opening of the flagship SPAR Supermarket on the outskirts of Colombo, heralded the Official Launch of the partnership.

Subsequently, an additional 3 stores have been opened, with a further 5 stores currently under construction. The additional 5 stores are all planned for launch before December 2020.

### SPAR THALAWATHUGODA - LAUNCHED APRIL 2018



### SPAR KALUBOWILA - LAUNCHED JANUARY 2019



### SPAR UNION PLACE - LAUNCHED SEPTEMBER 2019



### SPAR MALABE - LAUNCHED JANUARY 2020





# Is volume hiring costing your business too much?

PredictiveHire interviews *every single applicant* in-depth and at scale – all by using a text chat that helps you find the *best people fast*.



“ **Recruiting will never be the same again.**

*PredictiveHire has increased our process efficiency, reducing the time impact on candidates; with decreased number of stages and engaging technology generating faster results, supporting quicker decisions and faster outcomes for all parties.*”

**Matt C, Director – Staffing & Recruiting**



## Key Benefits

- ✓ **90% faster hiring**
- ✓ Pre-screening done for you saving **R000's** in recruiting costs
- ✓ Perfect for jobs with **high volumes** of applicants
  - Cashiers
  - Customer Service
  - Contact Centre
  - Facilities staff
- ✓ Thousands of interviews completed **every day**
- ✓ Candidates are interviewed by cell wherever they are
- ✓ Go-live in **under 24 hours**
- PLUS ...**
- ✓ **90%** interview completion
- ✓ **99%** candidate satisfaction

For more information contact



To get your INFO PACK click here >

[www.predictivehire.com/southafrica](http://www.predictivehire.com/southafrica)



The sales areas of the stores varies between 500 and 10 000 square feet with the main focus being on fresh departments. These occupy forty percent of the selling space in each store with fresh produce being the biggest, with a sales ratio of 16%. Butchery and HMR follow at 8% each, with Bakery at 5.5% and Fish at 3.5%.



ABOVE: DAIRY FRIDGES, RIGHT: RICE COMMODITY BINS



BEAN TREE CAFE AND HOT FOODS AREA





ABOVE: GROCERY FLOOR



ABOVE: FISH COUNTER DISPLAY



ABOVE & ABOVE RIGHT: BUTCHERY CHICKEN COUNTER DISPLAYS



ABOVE: FRESH FLOWERS



ABOVE: BAKERY DISPLAY CABINET



ABOVE: CAKE DISPLAY CABINET





Ninety percent of the fresh produce is sourced on the Island with deciduous fruit being imported from around the world.

Fresh chicken is farmed locally, with much of the red meat being imported from Australia.

There is no short supply of fresh fish on the Island with daily delivery into all the stores.

Local farmers and growers play a major role in the development, growth and sustainability of our fresh departments and we continue to innovate and work alongside them.



**THIS PAGE:** THE MANY VARIED AND UNUSUAL FRUIT AND VEGETABLES RESULT IN BEAUTIFUL DISPLAYS IN THE PRODUCE DEPARTMENTS





The popular Bean Tree coffee shop brand has been added to each of the stores. The addition of a coffee offering within a store is a first for any supermarket in Sri Lanka.



BEAN TREE CAFE. DUE TO THE LATE TRADING HOURS OF THE STORES, FAMILIES LOVE TO MEET FOR A MEAL BEFORE HEADING HOME. DURING MEAL TIMES, IT CAN BE HARD TO FIND AN AVAILABLE TABLE.



Each store carries a comprehensive range of grocery, perishable and frozen items, most of which are produced and packed on the Island.

Due to strict import regulations, imported items are available, but are limited and extremely costly.

SPAR house brands are currently being sourced locally as well as from SPAR South Africa and SPAR International.



The first TOP's liquor store was launched at the flagship store in late 2018. Whilst the license allows only the sale of beer and wine, it has become a destination for the wine connoisseur.





**PEOPLE**

Our staff complement has grown rapidly with each store employing around 100 staff. Due to traffic congestion and traveling time being a major hurdle, the stores trade fairly long hours, opening at 07h00 and trading through to 23h00, 7 days a week.

Learning and development has played a major part in the growth of the business over the past 2 years. With support from both SPAR South Africa and SPAR International, the staff's knowledge and skill-set has grown exponentially and they continue to grow from strength to strength. Each store is very involved in their local communities, with many activities taking place on a monthly basis.



MANY STAFF MEMBERS JOINED AT THE LAUNCH OF THE FLAGSHIP, AND CONTINUE TO GROW WITHIN THE GROUP, MENTORING NEW STAFF AND TAKING AN ACTIVE ROLL IN TRAINING.



**The blowing of the Conch Shell is the traditional invocation at the commencement of any function and hence at the opening of each new store.**



ABOVE: STAFF AT LAUNCH OF FLAGSHIP STORE



**INITIATIVES**

With waste management being a major challenge on the Island, our UP2You sustainability campaign was launched in 2018. Re-usable shopping and produce bags were introduced alongside a big marketing and awareness campaign. Most of our fresh packaging was changed and the decision to ban all plastic straws was taken. Our first solar installation is currently being tested at one of our stores.



**Our re-usable produce bags have been a huge hit. We have teamed up with a local NGO, who manufacture them for the stores.**

**SPAR** Good for you!

Wherever possible, SPAR has reduced the use of plastic, and we continue to look for viable solutions to further reduce our single use plastic consumption. Here are some of the plastic alternatives which SPAR now offer to YOU, our customers.

We no longer use plastic straws

SPAR sells a range of useful re-usable bags.

Re-usable produce and rice bags are an excellent way for everyone to significantly reduce the use of plastic. Purchase yours from SPAR, and make the change.

We use paper boxes instead of plastic whenever possible continue to look for viable solutions to further reduce our consumption.

When plastic can not be avoided or you can not refuse, then choose to re-use single use plastics and or recycle them. PETs can be recycled in the station outside of this store. Identify your PET and if it matches the items displayed on the bin, drop it in.



**E-COMMERCE**

Following the announcement of an Island wide curfew on the 25th March, due to COVID19, we urgently addressed our position regarding an online platform. All businesses, including supermarkets were shut down for a period of 7 weeks.

We launched our online store within 48 hours of the notice, and began delivering into the communities. Since the reopening of our stores, we have continued to grow this platform and have also launched a click and collect option.



**CORE MISSION AND STRATEGY**

Whilst the current 9 stores are all corporately owned, voluntary trading still remains the core principle of the brand. The food retail environment is made up of Modern (15%) and General (85%) trade with many small traders trading on their own with no real structure and support. SPAR Sri Lanka's mission is to develop and grow these local, Independent retailers, supporting them through the implementation of efficient supply chain management, stock procurement, promotional and marketing support, IT and retail leadership.

By joining SPAR, the independent retailers will continue to owner manage their businesses, under the support and guidance of SPAR Sri Lanka. This will allow the small independent operator to become part of an International brand allowing them to trade effectively and profitably against the bigger competitors. SPAR also offers the option for forward thinking entrepreneurs who wish to get into food retail, to join the brand through the development of a new site, or the purchase of an existing store.

SPAR will continue to grow and innovate in their markets, launching the brand across the Island.

**LOGISTICS AND HEAD OFFICE**

The stores are supported through a third party logistics partner, with all dry goods being delivered into the stores on a daily basis. All perishable and fresh items are delivered directly by the suppliers or farmers into the stores. The SPAR head office is based above the flagship store on the outskirts of Colombo. All the stores are controlled and managed through the head office with all development, marketing, commercial and HR initiatives being managed and rolled out centrally.



HEAD OFFICE ABOVE THE FLAGSHIP STORE



*"We are very happy with the way in which the business is growing on the island, and have no doubt that SPAR will continue to grow and develop into a major player in the food retail landscape."*

*"I am extremely proud of what the team has achieved over such a short period"*

Wayne Hodson (MD - SPAR Sri Lanka)





# Staycold launches new hinge door freezer

Staycold International are officially launching a half door freezer into their range, the HD580F. This was developed by Staycold because of a need from the market for a low footprint display freezer for checkout isles in supermarkets.

This impulse buy freezer is manufactured in Staycold's ISO9001:2015 approved factory in Parys with full safety approval and is now ready for dispatch in South Africa and abroad.

The HD580F by Staycold was initially showcased at HOSTEX early this year to test the market. Currently there is no other company in South Africa that provides a half door freezer solution, so Staycold used the event to gauge feedback from the market. The response to this unit was positive from both corporate end users as well as ice cream manufacturers, so Staycold began the commercialisation of the unit.

Staycold was approached by a Trade Asset Manager from Dairymaid, one of South Africa's leading ice cream manufacturers. He commented that they had a request for a particular freezer from one of the big retailers in South Africa.



This freezer drives sales in the hotspot of the store and fits in with the look and feel, so it was very important for them to develop this locally and as an environmentally friendly product.

Having liaised extensively, the R&D team at Staycold set about redesigning their single door HD580 fridge, already available in the market, to operate as a half door freezer. They had to be mindful of developing a space saving, low footprint freezer that could maintain the required temperature for storage of ice cream. The units also had to be aesthetically pleasing, as they are mostly placed at checkout areas as ice creams are impulse purchases, especially during the warmer summer months in Africa.

Dairymaid was satisfied that the product delivered on all the intended benefits, is complimentary to the look and feel of the store, delivered

the required temperature of  $-18^{\circ}\text{C}$  to  $-25^{\circ}\text{C}$  and is complimentary to the intended sales drive.

Besides the lower footprint than other conventional ice cream freezers, this freezer also operates frost free, maintains temperature below  $-20^{\circ}\text{C}$ , has LED lighting, a heated glass door, uses eco-friendly refrigerant and has an optional left-hand hinge door operation.

Lena le Roux, Managing Director at Staycold

for twenty six years, has the following to say:

"We were pleasantly surprised at how this freezer drew the attention of the delegates at our stand at Hostex. It seems to meet the demands of retailers as a small footprint item that they can place at their checkout points. We are pleased to now offer the HD580 model in both fridge and freezer forms to the market."

Staycold has been manufacturing self-contained commercial fridges and freezers in South Africa for 40 years. They pride themselves in making energy efficient, durable and reliable fridges and freezers and providing more cost-effective units over their lifetime.

For more information on Staycold's new HD580F half door freezer as well as their complete hinge door range, contact them on 056 819 8097, 087 505 0951 or visit their website on [www.staycold.co.za](http://www.staycold.co.za) or LinkedIn page on <https://www.linkedin.com/company/staycold-international-pty-ltd/>







**JUST  
LAUNCHED**



# NEW HIGH PERFORMANCE IMPULSE FREEZER

*Ideal for checkout isles*

## *Other Benefits*

- Low footprint
- Operates frost free
- Maintains temperature below -20 degrees Celsius
- LED lighting
- Heated glass door
- Uses eco-friendly refrigerant
- Energy saving
- Optional left-hand hinge door operation

*Manufactured in  
South Africa,  
Staycold is a trusted  
brand with over  
40 years' of experience*

For professional advice and  
assistance, contact us  
on 056 819 8097 or by mail to  
info@staycold.co.za

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



*Trust the Experience*



# Nielsen investigates 'the new shopper normal'

## South Africans shift from pantry loading to everyday shopping

The nature of South African shopping trips has shifted during the Covid-19 lockdown from an initial focus on bulk, stock up shopping to everyday needs shopping, which is up a significant 10 points from pre-Covid-19 levels, both online and offline. This data stems from a significant new Nielsen study 'The New Shopper Normal' conducted at the end of May 2020 that analyses how the mindsets and behaviour of South African shoppers have evolved during the nationwide lockdown.

Nielsen South Africa, Consumer Insights Director Kim Reddy says ...

“The lockdown has led to key changes in the channels that South Africans shop at and the product categories they purchase.”

“Before Covid-19, bulk shopping accounted for 55% of shopping trips. We know this continued through the first few weeks of the lockdown as people bought products that had a longer shelf-life in bulk and looked for items they could store. As a result, many consumers had to switch to cheaper brands to balance their increased basket sizes with their available funds,” she explains.



However, as the situation developed, there was a distinct increase in shopping for everyday needs and meal preparation, both in offline and online shopping. By the end of May, close to the

implementation of Level 3 of the lockdown, 74% of South African shoppers said they needed the items they purchased right away versus 26% of shoppers who purchased to stock for the future.





## 'In and out' shopping

During this period, there has ...

“ also been an increase in the number of shopping channels visited with higher spend per trip. ”

The number of store types visited increased towards the end of May 2020, with an average of 7.5 stores visited and more shoppers including online retailers in their repertoire versus pre-Covid-19.

Pharmacy, Convenience (Forecourt/ 'Garage Shops') and Online shopping all saw significant increases (pre-Covid-19 versus last few weeks of May) as shoppers focused on ensuring their health needs were taken care of, looked to convenient, quick 'in and out shopping trips' for their daily needs or chose to stay at home entirely and engaged in online shopping trips.

## Online safety

There has also been a deepening of many consumers' relationship with online shopping, with 24% more shoppers saying they used this channel "in the last week" and 58% of shoppers visiting a new online store in the same period.

The main reasons for an increase in online shopping were people not wanting to risk going outside and coming into contact with other people. Online shoppers were also more likely to shop

around given they could do so from the safety of their home and once they were online, they spent more than when shopping offline.

However, barriers to online shopping like availability, range and delivery were the main drivers for shoppers going offline, where store choice was mainly driven by well-established relationships with brick and mortar stores. For example, 64% said they prefer shopping in a real store, and 32% stated they prefer the familiarity of their favourite store.

Looking to the future, Reddy says that the Covid-19 pandemic has given rise to a far more

self-sufficient South African shopper. "As South Africans settled into and accepted the new normal of a lockdown lifestyle; issues like quarantine living and concerns around exposing themselves to potential health risks have created a far more insular consumer. This has resulted in them embracing a homebound lifestyle that focuses on home-based meal preparation and cooking.

"As more South Africans return to work, we expect this trend to continue, as shoppers seek out convenient options like ready to eat meals, meal kits, DIY personal care, that still meet their needs for health and safety," Reddy concludes. **SR**

“ Online shoppers were also more likely to shop around given they could do so from the safety of their home and once they were online, they spent more than when shopping offline. ”







# Ortolab – an innovative proposal

Changes in lifestyle demand a re-think of the retail offering.  
Consider the merger of freshness and technology and...hey presto!  
Here is a new shopping concept.

*Supermarket and Retailer joins its contributing partner, Retail Watch from Italy, in sharing a new concept that may interest retailers who wish to take part in a new retail concept that could easily be rolled out in major urban centres.*



The by-line of the business is "Fresh, selected, cut and ready to eat." The major component parts are:

- The premises are strategically located in high foot traffic areas with large windows to allow full visibility of the displays
- The range is focused on fresh produce (fruit and vegetables in their various formats for convenience shopping)
- Two self-checkouts with scales and automated payment facilities for the shopper to exit the store quickly
- A 'green box' area where produce is cut, sliced and packed for ready-to-eat or ready-to-cook purposes
  - An in-store pause area, where an iPad allows the consumer to select the products required for on-site/off-site consumption
  - Refrigerated displays of take-away containers covering a wide range of fruit and vegetables
  - Dried fruit, pulses and dried herbs on self-service dispensers
- An aeroponic greenhouse, where various products are planted, grown and finally sold fresh (with roots on) without fertilizers or chemical aids, but merely watered by clouds of moisture (the water is continuously recycled).
- Digital signage throughout the store to assist the consumer to make the best choices and shop without hindrance. This medium is also used to advise about the produce source, details about supplying farmers, nutritional information, and the fact that the majority of the produce does not travel long distances to get to the store.

**Contribution by Antonello Vilardi**  
Adapted by Hippo Zourides

Two Italian academics, Maria Antonia Ferrari and Sara Finetto, are the authors of the concept as they completed a Masters in Retail Brand and Sales Management at the University of Milan. Their thesis follows basic modern trends in consumer preferences, such as convenience, healthy living, low carbon footprint and technology.

Located in heavily populated areas in major cities (in flatland or in office nodes), their concept store is called Ortolab and the small layout has been optimally designed to produce a high yield per square metre, while keeping expenses down to a minimum.



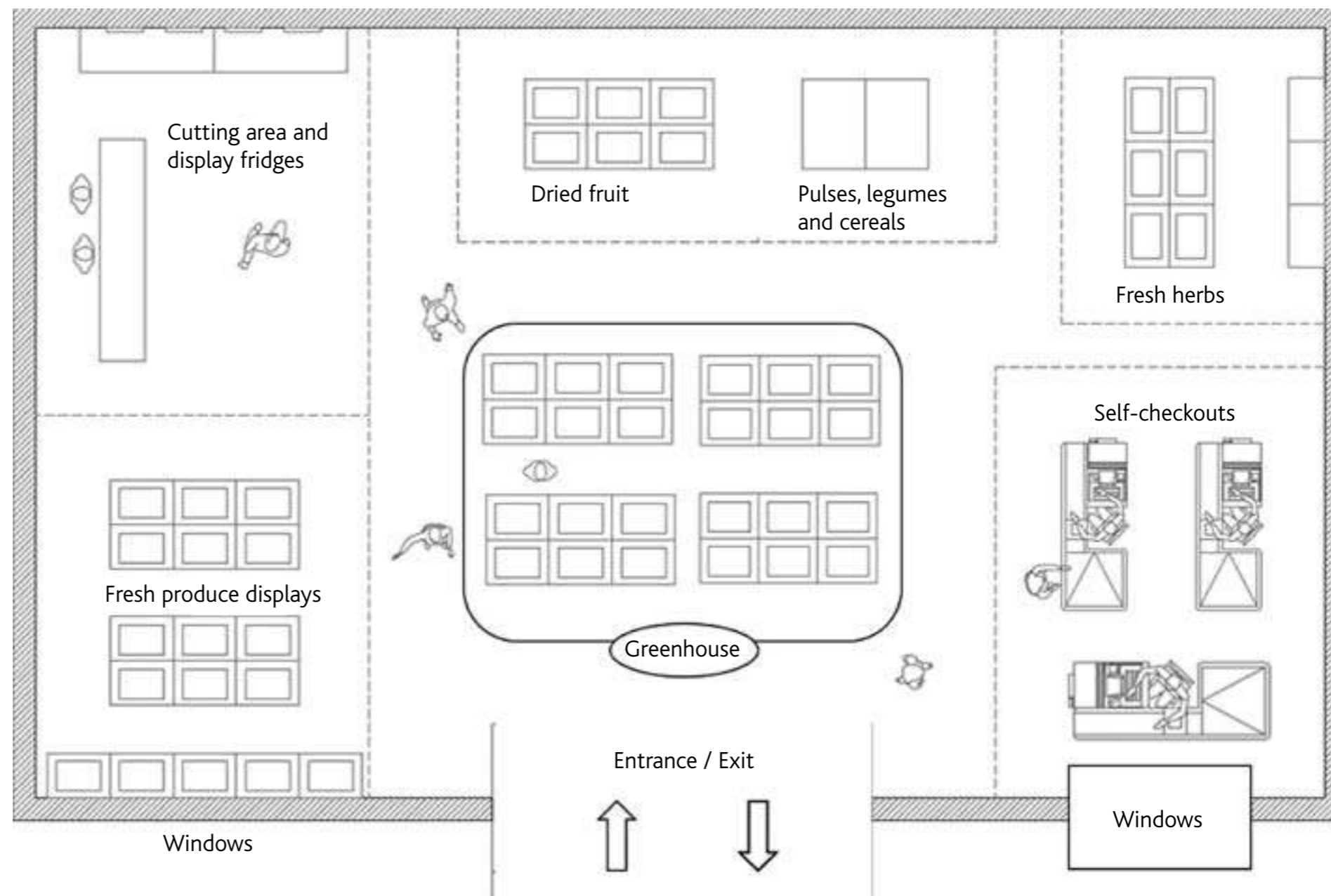
Farmers supplying these stores are fully involved in the process to the extent that any unsold or wasted product is returned for full credit, as they have means to dispose of this stock in an eco-friendly manner. No plastic is used in the store.

All organic produce is suitably identified, and consumers are made aware that the origin and production processes abide by the definition of 'organic produce'.

Seasonal produce is encouraged and the regular promotional activity, not only talks about price, but also educates the consumer on the benefits of the fresh offering.

The store is manned by only seven employees and, other than the supervisor, who has also some administration duties, every single staff member has an agronomy degree and is able to converse with authority on the products on display.

The store has a loyalty programme based on two aspects. The first is a paper board with 10 boxes. Each box is ticked with every shopping trip. As the tenth box is ticked, the consumer is entitled to either a discount voucher or a free eco-friendly shopping bag.



The second aspect is a virtual loyalty card on the customer's mobile device that records each purchase and allows the accumulation of virtual points based on the value of the purchase. These points can be exchanged

exclusively in these stores during future shopping trips. The loyalty card analyses all purchases and, based on the shopper's preferences, creates virtual discounts tailor-made for each shopper.

The concept is novel and concentrates on a very specialised niche. This ensures that it will be a profitable model that is a 'win win' solution for farmers, the retailer and the consumer alike. **SR**



# Finally, The Voice of Reason!

In a recent study, the CSIR has confirmed that a **reusable plastic shopping bag** has the **lowest environmental impact** compared to bags made from alternative materials including paper.

The government regulated 24-micron plastic shopping bag is **undeniably reusable many times over**, reliable, made from certified post-consumer recycled material and recyclable.

## Support the local industry



**Be Responsible.** Reduce. Reuse. Recycle.



1. CSIR:<https://wasteroadmap.co.za/completed-projects/informing-decisions-on-single-use-plastic-carrier-bags/>

Brought by the leaders in SA plastic bag manufacturing:



and proudly supported by:





# Data shows seven interesting shopping habits of South Africans during the lockdown

The worldwide pandemic has forced millions of people around the world to make dramatic changes to their lives. In South Africa, one of the major areas that have changed considerably is how people shop. But exactly how have our shopping behaviours changed? Data shows interesting trends and demographics that may predict the South African shopping landscape for the future. Let's explore this data to find out what South Africans are buying and how they are shopping during the lockdown.

## How South Africans' shopping habits have changed in 2020

### 1. Essentials, essentials, essentials

The fear of getting sick is still a major concern. As a result, South Africans are stocking up on masks, vitamins, soaps and hand sanitisers. Trending search terms such as 'Clicks specials' and 'Pick n Pay pharmacy discounts' also show that there is an increase in people looking for savings on these products, and they are using the internet to compare prices and to browse around before they buy.



### 2. Sustainability

There are two major factors contributing to a focus on sustainability during the pandemic. Firstly, with a third of the world's population in some form of lockdown during the months of March and April,

the world looked on as nature slowly returned to some of the otherwise busiest parts of the world. Secondly, many countries' economies took a tumble, leaving people to realise how important it is to support local businesses.





As a result of these factors, people are now opting to buy from local sellers and are generally making healthier more sustainable shopping choices.

**3. Spending more on data**

Data from Google Trends shows that during the lockdown, some of the most online searched shops are mobile service providers. In fact, online catalogue directory latestspecial.co.za reports that with almost 100 000 sessions during the period of March to May, MTN was the most popular store on the website. People are now working from home and staying in over weekends, using their mobile devices for all kinds of day-today tasks. Consequently, they are searching for terms such as MTN deals and MTN data specials online.

In an effort to support South Africans during the transition of working from home, many mobile services providers launched special promotions

during the lockdown. Telkom, MTN and Cell C all offered a R99 data special. These packages included 10 GB of data or more and were launched with remote workers, who also use their devices for entertainment purposes, in mind. While data prices are still high compared to some other countries, it is predicted that the trend of searching for lower data solutions from South African mobile services providers will continue.

**4. Focus on online buying**

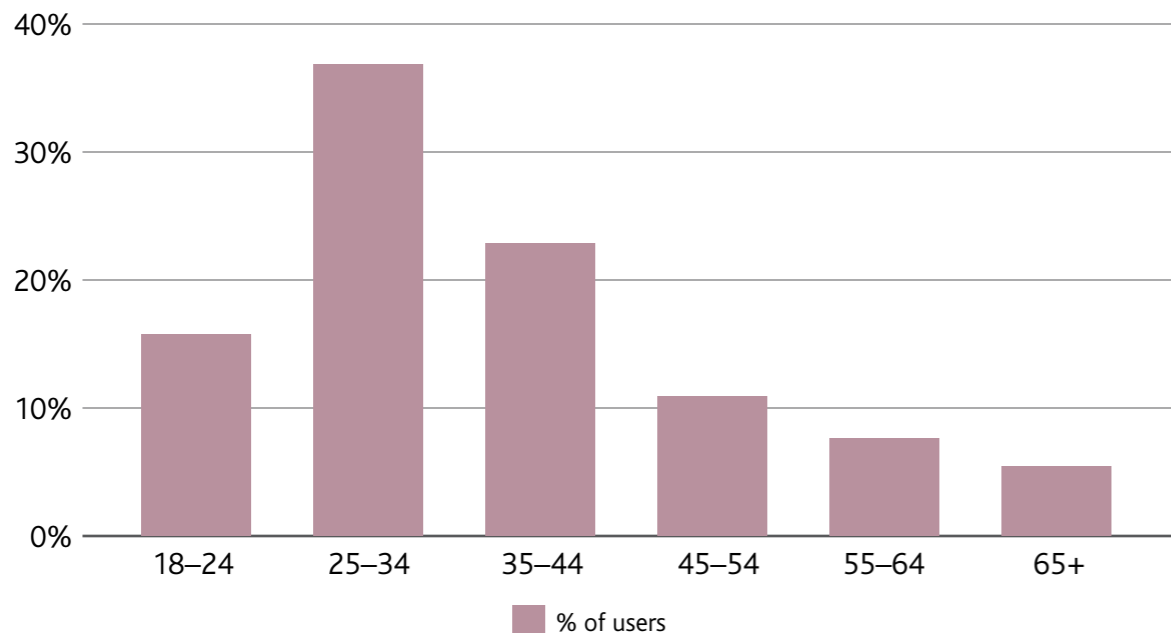
Due to the focus on social distancing and staying at home, increasingly more consumers are buying online. Latestspecial.co.za reports that there has been a large increase in people searching for online leaflets from popular stores: They've compared the period of three months before the pandemic, from December to February, and the period of March to May, and found that searches went up by 33%.

As expected, younger people spend more time online. When looking at data of people browsing online leaflets, browsers aged 25 to 34 dominate the group and people over the age of 65 make up the smallest percentage. The graph below left shows what percentage of people from other age groups looked at online leaflets from March to May.

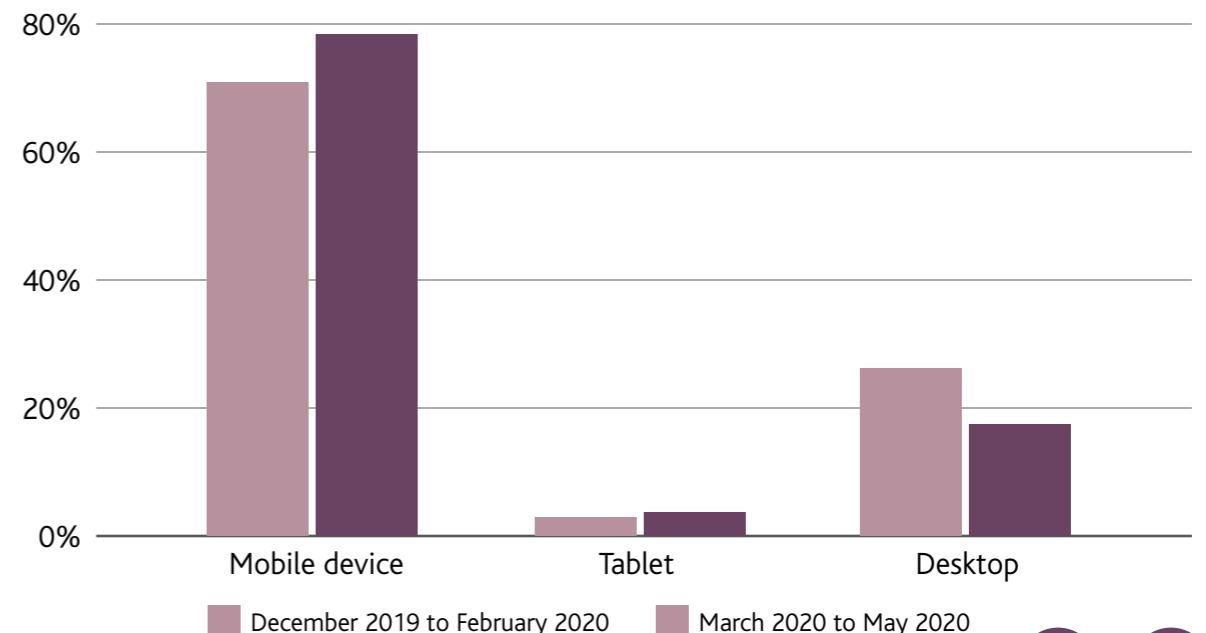
E-commerce is standing out as one of the sectors that are booming, despite people spending less. Latestspecial.co.za also reports that people are mostly accessing their website through mobile devices. During the period of March to May, 78.37% of browsers accessed the site through a mobile device, 17.96% used a desktop and only 3.63% used a tablet.

The graph below right shows how people used their mobile devices more between March and May compared to the period of December to February.

Users by age during March 2020 – May 2020



How device usage has changed





So, what are people buying online?

Consumers are spending their money on:

- Storage solutions
- Office supplies and furniture
- Groceries
- Alcohol
- Personal hygiene
- Plants and garden tools

### 5. Buying in bulk

Remember the panic buying that happened in March? While that may be a thing of the past, for now, people are generally still buying in bulk. The ban on alcohol has also contributed to this, as consumers feel they have to be prepared for any changes in regulations. Bulk suppliers such as Makro and Ultra Liquors are popular for grocery shopping.

### 6. More affordable purchases

Due to the struggling South African economy, consumers are now looking for more affordable shopping options. Stores such as Fair Price and Pep Stores, which are focused on lower-income households, are popular and consumers frequently search for their weekly catalogues online.

### 7. 'No' for luxury items

Many shoppers say that they are uncertain about the future and are, therefore, saving a bigger chunk of their income. Items such as clothes, luxury beauty products, electronics and homeware are no longer selling as it used to. This may change as we come out of lockdown, but for now, consumers are shopping more for what they need and less for what they want.

### But will it last?

#### New shopping habits:

South Africans have experienced dramatic changes to their daily lives over the lockdown period. And while they're slowly getting used to their new ways, it has to be asked: Will it last? No one knows how long the pandemic will be around, so it is safe to say that this may be the way consumers shop for a while. One thing is for certain...

“ More 'mindful' shopping will become a necessity, as people realise some habits are no longer sustainable. ”

So, as the country eventually emerges from lockdown, this might be the most significant change to develop from this uncertain time. **SR**

