

# SUPERMARKET & RETAILER

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BUSINESS □ MANAGEMENT □ FMCG

## Baby food: Growth, trends and forecasts

**A juice bar for your store**

**Everybody loves water... and coffee!**

**Catering for customers with diabetes**

# SUPERMARKET & RETAILER

BUSINESS • MANAGEMENT • FMCG  
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# Tune into your customers' new health and lifestyle needs

**Health foods and special diets have become part of the daily lives of so many consumers. And the trend keeps growing.**

For example, for those living with diabetes, eating the right foods is much more than just following a specific diet. It is a matter of life and death. Diabetes is a leading cause of heart disease, strokes, blindness, kidney failure and lower-limb amputation globally with South Africa among the worst affected. And it is not getting any better.

So in this issue, as we commemorate World Diabetes Day in November, we look at ways that you can make life a little bit easier for your shoppers living with diabetes.

Healthy eating, though, is not just for adults. Even more than they care for a healthy diet for themselves, your customers care about what they feed their babies. So, in recent years, baby and toddler foods have undergone a rapid transformation. They have evolved from traditional bottled assortments to more exciting and innovative product ranges that meet the growing demand for healthier, fresher and more natural-tasting baby foods.

In our baby foods feature, we discuss the latest trends and what you can expect to see in the future. Research from Field Agent in this issue also provides insights into baby food shoppers' choice of product and supermarkets. This provides a benchmark to compare what your customers want and what you offer.

Taking the health theme a bit further, we look at fresh produce and how to establish a juice bar. These can not only be profitable but also attract health-conscious consumers. For many of them juice is part of their everyday health regime.

While freshly squeezed juice is also a great refresher in summer, there are other opportunities arising in the cold-beverage market. Iced coffee, for example: according to latest new product research from Mintel Global shows that cold coffee has drinkers buzzing. One in five global new product launches in 2017 were iced, ready-to-drink coffees, up 16% from 2015.

After years of strong growth, bottled-water sales are still growing and surpassed those of carbonated soft drinks to become the biggest beverage category by volume in 2016. It is now summer and there is no better time to check that you are milking this trend towards bottled waters.

Great customer service says, Aki Kalliatakis, is also about the difference small things can make in the lives of customers and, by implication, in our lives. Customers often make decisions based on things so small that we have not even considered them. They do things for their reasons – not ours. If you know your customers well enough, he says, you will be able to respond to the things that are important to them.

Recently, we wrote about the launch of the new Fontana SPAR store in Atholl Square. Now we view their new SUPERSPAR at the Wedge in Morningside, Sandton. Rave consumer reviews show that Fontana has once again delivered a store that meets and beats the expectations of its Sandton customer. Check it out for yourself in our Storewatch section.

Once again, we hope that we have delivered information, ideas and inspiration that you can use for greater success, despite these trying times.



**Stephen Maister**

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# Catering for your customers with diabetes

**Diabetes is best managed by being mindful of carbohydrate intake, eating smaller meals regularly and choosing nutrient dense, healthful options.**

Knowing what food to eat can make a huge difference to controlling and potentially reversing type-2 diabetes. Helping your customers with diabetes to make informed choices when shopping for food will make their shopping trip a lot easier.

Buying healthful foods at the grocery store is easier if you bring a grocery list.

By making smart food choices and buying the right foods, a person can ensure they have enough diabetic-friendly ingredients on hand to take them from breakfast through to the last meal, or snack, of the day.

## Vegetables

Vegetables are the base of a healthy diet. Not only do they offer excellent sources of vitamins and minerals, but they are fibrous, too, and help the body feel full and satisfied. This in turn can deter overeating, which may cause blood sugar issues.

Some vegetables that you can stock are salad greens, broccoli, cauliflower, squash, green beans, asparagus, brussel sprouts, peppers, onions, beans and legumes.

Beans are an excellent source of dietary fibre and protein. They can be used in place of a portion of the protein that is needed in a diet. Some examples of what beans that you can stock in canned or dried forms include black beans, lentils, white beans, chickpeas, kidney beans and pinto beans.

## Fruits

Despite their high sugar content, fresh or frozen fruits pack a powerful nutritional

- The number of people globally living with diabetes is expected to rise to 522 million in 2030
- Three out of four people with diabetes live in low- and middle-income countries
- One in two people with diabetes (212 million) remain undiagnosed
- Diabetes is a leading cause of heart disease, strokes, blindness, kidney failure and lower-limb amputation
- 80% of type-2 diabetes is preventable through the adoption of a healthy lifestyle
- Less than one in two people with diabetes and one in four family members of people with diabetes have access to diabetes-education programmes

punch with their high content of fibre, vitamins, and minerals.

Fruits that will interest your customers with diabetes include nectarines, all berries, oranges, grapes, kiwis, tomatoes, bananas, apples, apricots and cherries.

## Whole grains

Unlike simple carbohydrates, whole grains break down slowly, which means that blood sugar levels can be more easily controlled. This is because whole grains do not cause the blood sugar spikes the same way refined carbohydrates do. Your diabetic customers will be looking for whole-wheat pasta, whole-grain bread, quinoa, brown

or wild rice, whole-grain or whole-wheat flour, maize, oatmeal and other whole-grain cereals, millet and amaranth.

## Dairy

Dairy products contain important nutrients, including calcium and protein. Some research even suggests that dairy has a positive effect on insulin secretions. Some of the best options to add to the list are parmesan, ricotta or cottage cheese, low-fat or skimmed milk and low-fat or fat-free Greek or plain yogurt.

## Meats, poultry, and fish

Similarly to whole grain foods, proteins are slow to be digested and do not cause spikes in blood sugar. Some of the best choices are skinless, boneless chicken breasts or strips, salmon, white fish fillets, skinless turkey breast, tofu, tuna and eggs

## Dressings, dips, spices, and condiments

There are plenty of flavorings and dressings that can be great for those trying to manage blood sugar. Make sure that you have vinegar, olive oil and mustard on your shelves.

## Dessert foods

Who doesn't love dessert? For your diabetic customers, you can stock fruit popsicles, dessert made with sugar-free gelatin, sugar-free pudding and sugar-free ice cream.

## NOVEMBER 2018 PROMOTIONAL CALENDAR

### Sun Smart Awareness Month

#### 1 NOVEMBER

World Vegan Day

#### 3 NOVEMBER

Sandwich Day

#### 8 NOVEMBER

Cappuccino Day

#### 12 NOVEMBER

Chicken Soup Day

#### 14 NOVEMBER

World Diabetes Day

#### 17 NOVEMBER

Homemade Bread Day

#### 23 NOVEMBER

Espresso Day

#### 26 NOVEMBER

Cake Day



## Toilet paper matters

**My late mom was born and grew up in Argentina to Greek parents. When she came to South Africa as a young bride in 1955, she learned to speak English for the first time in her life. But simultaneously learning Afrikaans as well was just too hard for her as an immigrant settling down in a new country, and although she promised herself she would eventually do so, she just never got round to it.**

Long after she and my dad retired, a new soapie began airing on one of the SABC channels. The main language of "7de Laan" was Afrikaans, with subtitles in English, and she watched every episode without fail. When they replayed all the daily episodes on Saturdays, she'd watch them again. The whole family knew one rule: NEVER call mom when 7de Laan was on. She'd get quite upset with us and would say, "You know my favourite programme is on. Don't call me!"

I never found out what the attraction of this particular soapie was for my mom, and to this day I wished I'd found out while she was still alive. Given the choice of so many alternatives from America, Brazil, Australia and even South Africa, what was it about THIS programme that hooked her in? What was it that attracted her to the stories and actors who played the roles that talented writers and directors had created?

Please indulge me while I tell you what seems to be a totally unrelated story, but which has everything to do with delighting your customers. The general manager of

a hotel and conference centre recently told me about a wedding that was to have taken place at his establishment, but what actually happened had scared the hell out of him – and me too.

Apparently, a bride-to-be and her mom, family and various hangers on came to examine the hotel to make a decision about whether they wanted the reception to be held there or not. They seemed to be very positive and enthusiastic, even to the point where they specifically spoke out where "this" would go and where "that" would happen. They loved the gardens, and they liked the deal he had put together for them. They seemed delighted by the little extras that he offered that would add value for them – a special room for the bride and her bridesmaids to rest and change clothes in, free transport for all the out-of-town guests from the airport, specially trained staff who would assist with all the highlights of the reception, and even his list of all the various suppliers of things that happen at weddings – photographers, florists, discos and bands, bakeries, even seamstresses. They told him of the exact date of the wedding, and since the hotel ballroom was free, he pencilled it all in.

Mildly worried because he had not received any deposit or any communication, just a few weeks before the event he telephoned to gently and diplomatically find out whether they had made a final decision. Imagine his shock when they told him that they had decided against his venue – and booked elsewhere. We are not talking about a small reception here – it was to be for around 200 guests, some of whom also needed to stay over. Not wishing to make them uncomfortable, he thanked them for giving him a chance to prepare a quote, but was really mystified about how why he had lost the deal.

Just by pure coincidence, a few months later a friend of the first bride also came to check out the venue for her wedding. They discussed everything, and once again everything seemed just perfect. However, towards the end of the meeting, the bride's mum asked if he could change the toilet paper dispenser to normal toilet rolls. Puzzled by the request, he sensitively probed more deeply to find out more, and they insisted that they didn't like nor want those stainless steel boxes that dispense one sheet of toilet paper at a time.

It finally emerged that the hotel's decision – probably made by an anonymous bureaucrat from the head office to cut costs by not allowing toilet rolls – was what had troubled the first bride and her mother. By rationing the toilet paper to save a few cents, this decision had cost them dearly. A powerful path to your customer's heart is an attitude of abundance and generosity. It leaves them surprised and grateful, and they will repay the favour. A generous mind-set has a magnetic impact on customers. It attracts them because it expresses to the customer the kind of unconditional positive regard that characterises relationships at their best. Do the opposite, and you pay the price.

Toilet paper matters, and it is obvious from these two stories that customers do things for their mysterious reasons, not ours. One final anecdote: In spite of the fact that I'm rather stingy and hate spending money needlessly, I buy really expensive food for our pet dog, Buddy. Is it because I'm obsessed with animals? Is he a valuable and loved member of the family that is spoilt like a child? No, not really. Buddy's job is to bark if someone jumps over the fence.

But my vet recommended this food for the dog, and, most importantly, suggested that the quantity we feed him is much less than one would feed a dog with other foods. Buddy seems to have suffered no side effects, and is always healthy and alert. But I buy this expensive dog food for me, (and no, I don't personally eat the stuff.) Since I am the person at home that has to clean up after the animals, and because – as yet – I have been unable to persuade my sons that R10 for "poop parade" once a week is more than enough, I find that cleaning solid little round black golf balls has made my life a lot easier than the previous piles of stinky mess.

***Customers do things for their reasons – not ours.***



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## 6 tips for providing top-class shopper support in-store

Customer service is one of the biggest drivers of sales and loyalty in retail, yet plenty of merchants continue to underestimate just how powerful it can be. Head to the mall and you'll see that many companies still fall short when it comes to serving and delighting consumers. Don't let your business be one of them.

Strive to provide superb customer support and make sure that you and everyone else in your team are willing to go above and beyond for shoppers.

To help you accomplish this, we've done some research on the customer service practices of some of the world's top retailers. Check them out below and see if you can incorporate them into your business:

### 1. Start by hiring the right people

We've said it before, and we'll say it again: when it comes to recruiting for customer service roles, you're better off hiring for attitude and training for skill. Some of the world's best companies recognise this.

**Action steps:** When hiring associates, consider focusing on their attitude first. Skills and experience are important but

know that as long as someone is trainable and has a natural service-based disposition, they will perform better than a skilled employee who doesn't have the right attitude.

### 2. Be smart about how you delegate customer service tasks

Your associates won't be able to serve customers properly if they're too busy doing admin work or restocking shelves. If it makes sense for your business, change the way you delegate tasks in-store. For example, instead of training everyone to do a multitude of tasks, consider letting people specialise in specific jobs (i.e., serving customers, fixing merchandise, etc.)

**Action steps:** Are your employees juggling multiple jobs or do they specialise in certain tasks? If it's the former, try testing task delegation practices. You may find that when you have employees whose sole job is to assist shoppers, your customer service metrics (and sales) will improve.

### 3. Encourage empathy

A dose of empathy can instantly take your customer service practices to new

heights. Because here's the thing: in many cases, customers just want to feel that they are being heard, acknowledged, and understood. In other words, they want to feel that you know what they're going through. Yes, it's important that you fix whatever issues they're having, but empathy is almost always the first thing they need from a customer service rep.

**Action steps:** Encourage empathy in your employees. Train them to put themselves in the shoes of your customers and doing so develops compassion and ultimately leads to better customer service.

### 4. Make sure that everyone – from front-line employees to executives – receives customer service training

This lesson is brought to us by Amazon, which is not only doing phenomenally well in sales and innovation, but is also killing it in customer service. The e-commerce giant is always on Prosper's list of Customer Service Champions, thanks to its customer-centric practices.

**Action steps:** Evaluate the customer centricity of your company. Is every member of your team in touch with the needs of shoppers? Would they benefit from additional training or regular reminders to be empathic towards customers?

### 5. Empower employees to keep customers happy

One of the ways that the e-tailer accomplishes this is by empowering reps to use their judgement and just keep customers happy.

**Action steps:** If you haven't done so yet, encourage your staff to be helpful rather than salesy. See to it that they make each customer's happiness a priority, and empower them to use their judgment when it comes to serving shoppers.

### 6. Be proactive in approaching customers

Encourage your associates to move from behind the counter and onto the sales floor where they can interact with shoppers.

**Action steps:** Promote proactive customer in your store. Don't wait until someone asks for your or your associates' help; go out there and actively look for customers to assist. [bizcommunity.co.za](http://bizcommunity.co.za)

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## New food safety index for Africa

In a move to help tackle the burden of foodborne diseases that a recent global assessment found to be comparable to that of malaria, HIV/AIDs or tuberculosis, the CTA in partnership with the African Union Commission, CGIAR A4NH, FAO and WHO, launched a new African Food Safety Index (AFSI) on 2 October 2018.

The AFSI aims to provide the evidence necessary for African countries to prioritise food safety, reduce foodborne illnesses and improve trade and income.

Unsafe food is a threat to food and nutrition security and an impediment to national development as a whole. According to the WHO, 91 million people in Africa fall ill each year due to foodborne diseases. Of these, 137,000 will die, many of whom are children and other vulnerable groups, die (young, old, pregnant, malnourished and immune-suppressed).

In addition to health concerns, food safety has become an important precondition for access to global food markets and increasingly, for high-value domestic markets in developing countries. No studies have been done on specific impact on national economies but evidence indicates a high burden on trade and health amounting to hundreds of millions of euros. A single food safety hazard, aflatoxin contamination, alone is estimated to cause annual losses of over €600 million in lost export trade of Africa.

Amare Ayalew, program manager at Partnership for Aflatoxin Control in Africa: "Without access to safe food, consumers are denied access to adequate food, nutrition or health and the Malabo Declaration

Commitments 3, 4, and 5 on ending hunger, poverty reduction (raising incomes), and tripling intra-African trade in agricultural commodities, will not be achieved."

CTA's recently launched Africa Agriculture Trade Monitor cites growing concern over health risks associated with imported food products that have prompted revisions in sanitary and phytosanitary (SPS) standards in industrialised countries. In 2012, according to the report, EU imports of sub-Saharan African (SSA) commodities that may be affected by standards compliance

amounted to €7.9 billion. SSA is Europe's main supplier of cocoa and a major provider of coffee and tea. Several African countries exported millions of euros worth of cane sugar, molasses, and nuts and fruits to Europe in 2012.

According to the 2015 WHO report on the Global Burden of Foodborne Diseases, the global burden attributed to 31 main food-hazards was 33 million Disability Adjusted Life Years (DALYs) in 2010 with the highest burden per population observed in Africa, accounting for a third of the death toll.

Last week, the implementing partners and experts met to design a composite indicator that will be included in the Comprehensive African Agriculture Development Program (CAADP) biennial review for progress monitoring and scoring for all the 55 member states.

The composite indicators which capture the multi-sectoral nature and impacts of food safety will be packaged into the AFSI and incorporated into the Malabo Biennial Review mechanism. Food safety tracking and country level efforts to meet food safety benchmarks are expected to have a domino effect on the prioritisation of food safety and policy making, leading to systemic improvements in food safety management and ultimately to enhanced food security and nutrition, the reduced burden of foodborne illnesses and enhanced access to markets, agribusiness and overall development contributing to the realisation of the AU Malabo Declaration Commitments.

– *bizcommunity.co.za*

## What is food safety?

**Food Safety refers to handling, preparing and storing food in a way to best reduce the risk of individuals becoming sick from foodborne illnesses.**

Food safety is a global concern that covers a variety of different areas of everyday life.

The principles of food safety aim to prevent food from becoming contaminated and causing food poisoning. This is achieved through a variety of different avenues, some of which are:

- Properly cleaning and sanitising all surfaces, equipment and utensils;
- Maintaining a high level of personal hygiene, especially hand-washing;
- Storing, chilling and heating food correctly with regards to temperature, environment and equipment; Implementing effective pest control; and
- Comprehending food allergies, food poisoning and food intolerance.

Regardless of why you are handling food, whether as part of your job or cooking at home, it is essential to always apply the proper food safety principles. Any number of potential food hazards exist in a food handling environment, many of which carry with them serious consequences.





## Baby food market – growth, trends and forecasts

The global baby food market is expected to register a compound annual growth rate (CAGR) of 6,7% during the period of 2018 to 2023. Currently, health conscious parents are opting for organic baby foods over conventional baby food.

The global baby food market has experienced significant growth over the past few years, primarily due to rising population of working women, rise in organised retail marketing, and their concern for good nutrition for their babies.

Furthermore, manufacturing of baby food under strict health and safety standards has helped creating the awareness about the usefulness of packaged baby foods in providing the required nutrition for babies. This in turn has escalated the demand for baby food in the world market. Additionally, baby food is gaining popularity in the high income groups as a part of their status quo, especially in the emerging markets, which is expected to further drive the baby food market in emerging economies.

Currently, owing to increasing demand for nutrition from the natural sources, the organic baby food segment is growing at a significant pace and several large players are engaging themselves to cash in the untapped markets. Concerns related to food safety, falling birth rates, and the practice of feeding home cooked food to babies are the key restraints in this market. Declining in birth rates and milk intolerance

Concerns related to food safety, falling birth rates, and the practice of feeding home cooked food to babies are the key restraints in this market.

in babies may pose severe challenge for baby food market.

### Market segmentation

As they grow, the baby food available for them varies from infant formula to solid dried baby foods. Baby food product includes baby soups, frozen baby foods, baby snacks, baby cereals and bottled baby foods. Major market share has been held by bottled baby foods, followed by baby cereals. Frozen baby food is expected to have highest growth potential followed by bottled baby food and baby cereals.

A report by Mordor Intelligence segments the global baby food market by type, distribution channel and region. The baby-food market, on the basis of types, is

segmented as conventional baby food and organic baby food. This market is classified into mother's milk substitutes, cereal based foods, vegetable and fruit purees, frozen foods and others. The market is also segmented based on constituents into milk, vegetables and fruits, cereals and others. Market study indicated that Mother's milk substitutes account for the major share of the market. By distribution channels, market is segmented into hyper markets/supermarkets, convenience stores, dollar stores, online retailers and others.

Milk formula occupies the largest market share followed by the product segment of prepared baby food. However, over the forecast period, product segment of prepared baby food would gain prominent adoption in the global market. Sales of milk formula baby food is highly concentrated in the APAC region. Alternatively, demand for prepared baby food is largely limited to developed regions. However, market for prepared baby food, in developing regions would pick pace over the forecast period, subsequently leading to the dynamic growth of the baby food market in the APAC region.

Supermarkets, hypermarkets, small grocery retailers, and health & beauty retailers are the key distribution channels in the baby food industry. Increased Internet penetration, access to smartphones, and simplified e-banking systems will lead to more purchase through the online channel.

### Regional analysis

The market is geographically segmented into North America, Europe, Asia-Pacific, South America and Africa. Asia-Pacific has the largest consumer base followed by Europe, and North America. North America is the largest markets in terms of revenue. The growing population and rising consumer spending in Asia-Pacific makes this the region to look at for investments and expansion. However, it is a price sensitive market and consumption depends on perceived value. Emerging markets such as India, China and Indonesia are the major growth contributors in the growth of baby food market in Asia-Pacific.

The baby food market is experiencing changes due to increasing consumer spending, especially in the developing nations.

### Competitive environment

Nestle SA have been dominating the global baby food market. Key players operating in baby food market are, Danone, Mead Johnson, Abbott laboratories, Hero-Group, Perrigo Company, Bellamy Organics, Hain Celestial Group, Campbell soups, Friesland Campina, H.J. Heinz, Bristol-Myers Squibb, Numico, Wyeth, East Asiatic co Ltd, Ella's Kitchen, Beech-Nut Nutrition Corporation, DMK Deutsches Milchkontor GmbH, DSM, Dumex, HiPP GmbH & Co., Koninklijke DSM N.V., Meiji Co Ltd etc

The baby food market is experiencing changes due to increasing consumer spending, especially in the developing nations. Consumers are now more aware of the positive effects of scientifically prepared baby food which is likely to create more opportunities in the market in the future. Expansion and investment in developing markets like China are the major strategies followed by the companies.



## European parents warming up to chilled baby food

**In recent years, the European baby and toddler food market has been undergoing a rapid transformation. It has evolved from a traditional jarred meal assortment to a more exciting and innovative product selection to meet the demand for fresher and more natural tasting baby food.**

Driven by the trend towards naturalness and cleaner diets, European consumers are increasingly reaching for fresher and healthier food options for themselves, and they're also demanding the same for their children. While the European food and drink industry has swiftly responded to consumer demand for more freshness, baby food has been slow to embrace this trend. Although the share of chilled baby meals has increased significantly in recent years, still over 90% of baby savoury meals launched in Europe in 2017 were shelf stable. This highlights potentially underused opportunity in the chilled baby meal segment.

### Chilled baby meals can help alleviate parental guilt

In today's increasingly time-strapped society, lots of working parents don't have time to cook during the week, being potentially riddled with guilt about serving store-bought food to their children. With this in mind, there is an opportunity for baby food brands to develop nutritionally balanced, better-for-you chilled baby and toddler meals in convenient packaging, which is still close to home-made fare.

In recent years, high-pressure processing has been making an appearance within many different food and drink categories, from packaged meats and prepared meals, juices, dairy and most recently the world of baby food.

High-pressure processing is a non-thermal process of destroying bacteria, allowing food to retain a higher proportion of nutrients compared to standard methods of sterilisation. Retaining all of the goodness of the ingredients going into baby food, high-pressure processing brings a whole new level of desirability in terms of healthiness to baby food.

The demand amongst parents for fresh, nutritious and convenient baby food is unlikely to abate. This offers baby food manufacturers an opportunity to experiment with innovative chilled products that merge parents' desire for freshness and quality with convenient packaging. As awareness of the benefits of cold-pressed products is becoming more prevalent than ever, the high-pressure processing method could be a perfect fit to offer fresh and nutritious chilled alternatives to most other baby foods.

– *Mintel*

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## What millennials want for their babies

Baby food is growing up. Little jars of strained peas and banana purée may have worked for previous generations, but today's parents are demanding more from brands. Health-conscious consumers focused on avoiding added sugars, artificial colors and flavors, and exposure to potential allergens have become parents hoping to do the same for their babies. Yet, almost half of all Millennial consumers still rely on baby food manufacturers to educate them about their child's nutritional needs.

### Food allergies a top concern

Food allergies in kids have increased by 50% in the past twenty years; it's estimated that 1 in 13 American children under 18 have a food allergy, a total of 5.9 million kids. Parents are understandably concerned that their child may be affected, five out of every six parents say they are concerned about their child developing food allergies. But this doesn't automatically mean they're avoiding potential allergens altogether. Rather, parents are looking for a detailed understanding of baby and toddler food ingredients so they know exactly what they're exposing their child to at mealtime. In fact, 87% of younger Millennial parents (18-24) and 84% of older Millennial parents (25-34) believe it's important to expose children to a variety of foods so they do not develop allergies. Clear and precise labeling, including free-from claims for those who have already identified sensitivities, and content that cites the latest pediatric guidelines can help consumers make the best choices for their babies.

### Full of flavour

As consumers increasingly opt for fewer processed foods, it's not surprising that parents are opting for organic, GMO-free, and additive/preservative free products for their children. Launches of new baby/toddler foods bearing those claims have almost doubled since 2014. Similarly, parents wish to expose their children to a variety of flavors at younger ages, with more than a third agreeing that baby/toddler cereals and jarred baby foods need a flavor boost. Additionally, 28% would be interested in trying foods with international flavors (Chinese, Indian) and almost a quarter believe herbs, like basil and rosemary, would spice up kiddie foods. While parents want more flavor, they don't want added sugar and are keeping an eye on their child's calorie intake. Instead, parents agree that manufacturers can improve both flavor and nutritional value



by adding superfoods, such as blueberries and pomegranate, and increasing the variety of whole grains in cereal.

### Baby on board

Busy families are looking for solutions to feeding baby on the go. Half of parents seek foods that come in re-sealable packaging and convenience-oriented single-serving healthy snacks (such as hummus and vegetable-based dips) for toddlers. Shortcuts that eliminate wait time and cleanup, such as squeezable meal and snack pouches allow little ones to feed themselves with minimal mess. Most parents typically stock up on baby food when they're grocery shopping for themselves, baby foods are generally purchased at mass retailers and supermarkets; only 20% of consumers shop at natural or specialty retailers for these items.

These trends reflect the overall movement toward natural, more nutritious foods free from additives and preservatives. As new parents, they want the best for their babies and are more carefully reading labels and evaluating brands. Earn their trust by clearly labeling foods and offering transparency in origin. Build awareness with social content that humorously and honestly reflects today's parenting struggles and challenges while acknowledging that parents are doing their best to nourish their child and that begins with your best-in-class product.

– [www.womensmarketing.com/](http://www.womensmarketing.com/)

## Five best foods for babies

From the age of six months, a baby can start to eat lots of different foods and will benefit from trying variety of tastes and textures.

### Vegetables

Babies need a variety of vegetables as soon as they start weaning. Vegetables add colour, texture and variety to a baby's meals. They're high in vitamins, minerals and fibre too. Vegetables help healthy growth and development, and may help to protect against some diseases in the long term.

### Fish

A baby can have well-mashed or flaked fish from six months onwards. Fish is particularly good for babies. It's a great source of protein, vitamins and minerals. The omega-3 fatty acids in fish, particularly oily fish such as fresh salmon and mackerel, are important for brain development.

### Poultry and red meat

Meat is an excellent source of protein and a good source of nutrients such as iron and zinc. It also contains a small amount of vitamin D. When a baby is six months or seven months, the stores of iron that he built up when you were pregnant are starting to run out. So it's important to introduce other sources of iron into his meals.

### Pulses and beans

Pulses and beans are another good source of protein and iron. They're quick and easy to cook to a soft texture that babies will be able to manage, and are good substitutes for meat or fish.

### Milk

Although a baby is eating solid food, his regular milk is still an important food for him as a source of calcium and other nutrients.

# Buying for your baby

Baby Food is an essential component of any supermarket or grocery offering. Consumers are constantly making brand and usage decisions depending on ever-evolving needs and wants. Trends toward natural or perceived healthier foods, as well as the avoidance of allergens and processed foods can have an impact on what the consumer chooses to buy. Choices, or the lack thereof, affects consumer loyalty, which impacts profitability.

Crowd-sourcing via smartphones provides an unbiased, real-time understanding of consumer shopping habits and frustrations, assisting retailers to focus on relevant operational issues and reinforce customer loyalty and shopper satisfaction. Feedback is collected through photos, videos, audio, timers, barcode scanners and a general survey platform, capturing consumer insights instantaneously.

High-volume purchases provide strong support to retail performance. Baby food is one of the categories where shopper needs are important. It is therefore necessary to match expectations and needs with product range, availability, and pricing. Understanding consumer preferences and decision drivers can play an important

role in finding that edge to consumer satisfaction and retention. We invited 80 Field Agents (shoppers) to complete a random in-store survey close to where they live. Locations visited are represented geographically on the map overleaf.

Agents were requested to make a small purchase of baby food and share their preferences and behaviours via an app. Visits were verified using till slips, category photos, GPS and timestamps.

The most popular retailer for baby food was found to be Pick n Pay. The most common brand used was Nestum Formula, with Purity in second place. About 97% of shoppers were able to find their preferred products. The strongest choice drivers were price and brand and most shoppers were



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found to be concerned with natural or organic foods without artificial flavours or colourants. It was found that 89% of shoppers prepare baby food at home with taste and ingredients being their prime motivations. Mashed fruit was the most popular home-prepared meal. Just under a third of all shoppers surveyed experience allergies and lactose or dairy intolerance in feeding their babies. Only 10% of shoppers were found to purchase baby food online; Takealot was the most popular source for this.

Do you ever buy food online?	
Yes	10%
No	90%

Do you prefer to feed your baby natural, organic food?	
Yes	51%
No	49%

Do you look at price when deciding what to buy?	
Yes	77%
No	23%

Choice Drivers	
Price	19%
Brand name	18%
Specials or promotions	16%
Convenience	10%
Easy to mix	9%
Other	28%

Does your baby have any allergies?	
Yes	22%
No	78%

What products do you avoid?	
Only natural ingredients	20%
Wheat free	7%
Salt and sugar free	17%
Dairy free	7%
No artificial flavours & colourants	29%
No preservatives and stabilisers	21%

Where did you visit compared to your normal store?	Usual Retailer	Where visited
Pick n Pay	15%	16%
Clicks	15%	15%
Checkers	12%	12%
Shoprite	12%	14%
Dischem	10%	4%
Other	35%	38%

What kind of food do you prepare?	
Mashed Fresh Fruit That Does Not Need Cooking (E.g. Avocado Or Banana)	40%
Lightly Steamed Fruit	21%
Lightly Steamed Vegetables	34%
Other (processed food, mashed potatoes, mashed potatoes and mashed pumpkin, mashed vegetables ((carrots, peas and potatoes)), soft porridge, steamed/boiled chicken breast)	5%

Usual baby food preferences	
Nestum	27%
Purity	23%
Infacare	15%
Cerelac	15%
Nan	14%
Other	6%

Was your preference available?	
Yes	97%
No	3%

Do you normally prepare baby food at home?	
Yes	89%
No	11%



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**So you've made the big leap into healthy food retail. Maybe you're expanding your store's inventory of fresh produce. Or maybe your store hasn't sold fresh produce in the past but is ready to go in that direction. Either way, your neighborhood (and the health of its residents) will be all the better for it.**

But let's not forget that doing good for your community can also be good for business. Below are a few simple tips you can use to make sure that your fresh produce really works for your store.

### **Dressing (your fruits and vegetables) for success**

**Maintain consistent freshness, supply and quality. (Only display stuff you are proud of).**

- Cull through your produce every couple of days to ensure that nothing is rotting, or looking limp. Throw away rotting produce – if you leave it, it will make items next to it rot faster. Pull off and throw away any limp looking leaves.
- If possible, get smaller, more frequent produce deliveries to ensure that your food items are the freshest possible.

### **Get produce out of tubs and boxes.**

- Display fruit and veggies in baskets or some other container made of light-colored, natural material.
- Line them with fabric or plastic to keep your fruits and veggies free of bruises.
- Display all produce and food products at least six inches off the ground.

### **Create the illusion of bounty.**

- Keep things heaped up.
- Tilt containers forward so that all of the produce is visible, even from a distance.
- Pile up produce so that it fills the space that it is in and looks abundant.
- Use a smaller container/basket if you only have a small amount of an item.
- Have produce artfully "spill over" from containers—the "waterfall effect".
- Consolidate items as they are sold to give the appearance of abundance, even when there is not abundance.

### **Freshen up.**

- Mist your broccoli, lettuce + other leafy greens with a spray bottle throughout the day to keep them looking fresh.

### **Grab your customer's attention.**

- Display something eye-catching near your produce. Putting something unusual at your produce display – a huge pumpkin, for example, gives customers something to talk about, attract people to your produce area, or makes people slow down when passing your market (if visible from the street).

### **Keep your display neat, organised and accessible**

- Keep fruits and veggies in the same place. In other words, don't change the location of your food items for sale from week to week.
- Make your items easily accessible to all people, including the physically challenged.
- Items should not be placed higher than eye level.
- Show names of food items and prices accurately, all the time indicating clearly and legibly the unit price.
- Signs are best placed above and behind a vegetable. Laminate your sign so you can change prices. Include product variety name, if you know it

### **Make it super-easy to shop**

- Arrange in baskets or provide bags for items too small or fragile to pack with larger items (ie. figs, cherry tomatoes, peas). Customers will buy more if items are easy to pick up.
- Display items that go well visually and are commonly used together in recipes, for example, complementary colours like tomatoes and basil.
- Get your customers excited about new items. The week before trying out a new item, place a sign that announces the new product.

### **Remember: great customer service equals customer loyalty**

- Smile! Be pleasant with all of your customers, whether they buy or not. They will remember your kindness.
- Check out the competition. Educate yourself about what other markets are carrying. That way, you can be of help when customers are looking for certain items. It will also give you ideas for your own market.
- Have tips on how to cook or freeze food.

### **Suggestions for shopping healthy on a budget**

- Free recipe cards
- Explain how to store items to make them last longer. Customers will buy more. This will help establish the storeowner as a knowledgeable, trustworthy resource.

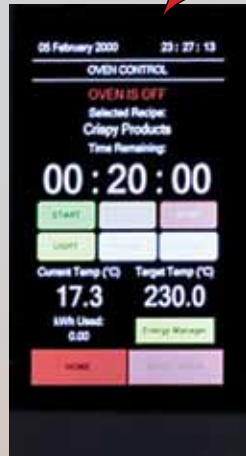




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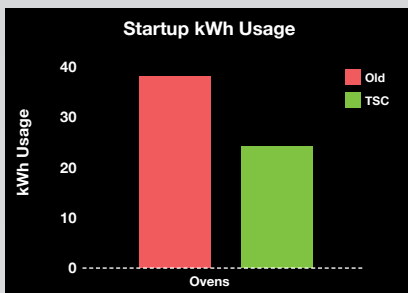
**Touch Screen Control**



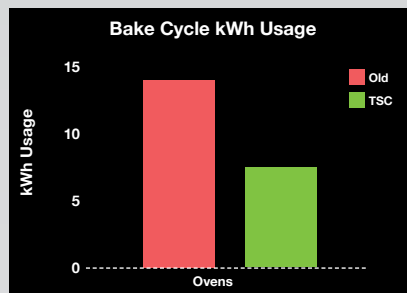
New Touch-Screen Control (with energy management) vs Old Manual Control Oven

**The purpose of the case study was to compare the energy usage of the new Touch-Screen Control (TSC) oven against the old Manual Control Oven**

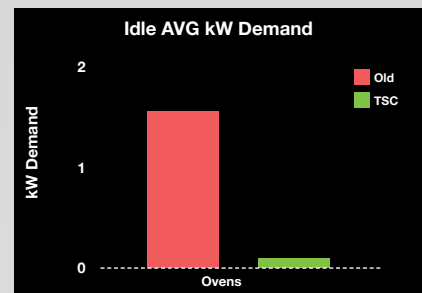
Both ovens were measured using the same Electrex GIGA Box Energy monitoring system under exactly the same situation with same temperatures, steam and baking times over a period of 2 days at the Tombake premises



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## Creating a juice bar for your supermarket

**The fresh-format supermarket is becoming the standard. Having food and beverage options made in-store attracts new customers and helps retain your current customers. In-store freshly-squeezed juice, infused water are becoming increasingly more popular among shoppers.**

Beyond just serving a fresh product, making juice is also important for reducing fruit and vegetable waste. When you have apples or lemons that may not look perfect, but are still healthy and good, you can use them to create juice instead of letting them go to waste.

According to Joris van Grieken of The Fresh Press (a supplier of juicing equipment) South African supermarkets have the advantage of fresh fruit and vegetable available on their doorstep. They don't need to import produce and high prices and can therefore sell juice at a reasonable price.

To create your own juice bar, follow the following steps and you cannot go wrong:

### Step 1: Decide which type of juice bar you want to create

There are two main types of juice bars in grocery stores:

- The first option is a made-to-order juice bar that offers the option of providing

juices on-demand as customers order them. Customers see this as the freshest way to get juice. It also creates a "theatre" where customers can see first-hand where their juice is coming from. However, the labour costs are high and you need a dedicated retail space to making juice on demand.

- The other option is to produce bottles of juice in batches, and market them in a cooler as grab-and-go. This usually equates to a lower up-front investment, lower labour costs, and less retail space required.

Also popular is to do a combination of both. Whole Foods offers the "made right here" bottles of juice, as well as fresh juice on demand.

### Step 2: Plan the retail space and kitchen layout

Once you decide on the model of juice bar you want to create, you will need to lay out the kitchen and retail space.

Van Grieken says there are two juicing

machines on offer: one that can make juice from any fruit or vegetable and one that is used for juicing citrus fruit. For a citrus juicing machine you need no more than one square metre.

### Step 3: Create recipes and plan menu

It is better to have a small menu with six or seven juices than a big menu with dozens of options. Creating a small menu allows you to manage your costs and inventory better and to reduce waste. Once you develop a nice core menu, you can rotate new experimental recipes as needed.

According to Van Grieken, consistency is extremely important and the correct recipes can help you to achieve and maintain consistency.

"Our company can help with recipes that are tried and tested to make sure that you hit the ground running," he says.

He says orange juice still remains the most popular and amounts to 40% of all juice sold.

Some supermarkets also offer larger containers of more standard juicing options, like pure apple juice or carrot juice. These can be priced lower than the green-

juice options since both apples and carrots are relatively cheap. Providing a natural, raw apple juice option in your stores allows parents to choose whether to give their children a truly natural product, or the regular apple juice which has been made from concentrate or heavily processed.

**Step 4: Profit**

Once you plan your menu, your staff is trained, and you are selling juice in your store, you should be able to get a very healthy margin on the product.

You can expect to pay back your investment quickly, and enjoy the reputation of being a store that offers a healthy and premium fresh juice product.

Four benefits to having your own juice bar:

- You send the "fresh message" to your customers.
- A juice bar is very profitable.
- It is an excellent way to minimise waste.
- It is a way to use "ugly fruit and vegetables" and lower-grade produce that no-one wants to buy.



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## Free fruit for kids

An apple a day keeps the doctor away, but it can also serve as a welcome distraction for kids accompanying their parents on a shopping trip.

To promote healthy food choices, over 200 Pick n Pay stores across the country now offer free fruit to shoppers' children under the age of 12. The Free Fruit for Kids initiative was originally launched in selected stores but was recently rolled out to include more stores nationally after overwhelmingly positive feedback from customers.

Apples and bananas will be available all year, while other seasonal fruit will also be offered, such as nectarines, dessert peaches and plums, in the summer months. All fruit will be served whole.

Jacqui Peacock, Pick n Pay product category manager, says that the free fruit baskets will be a great way for Pick n Pay's youngest patrons to keep occupied, and a help to parents trying to keep their children entertained during a shop.

"Fruit and vegetables are filled with



nutrients, including vitamins, minerals and fibre. We hope this initiative helps to keep children off the less-healthy snacks when shopping, and helps instil a lifelong healthy eating habit.

"A fruit is an easy, quick and healthy snack. We always look for ways to improve the shopping experience for our customers, and we hope the in-store fruit baskets become something children really look forward to when shopping with us," says Peacock.

She adds: "Getting your children to embrace a healthy lifestyle is really important. While we are offering free fruit to them, it's also possible to get your kids

more enthusiastic about veggies by being a bit creative. We've found the 'veggie challenge' works well, where kids at home eat a vegetable each day with a name that starts with each letter of the alphabet – from aubergines to zucchini. Part of the fun is to ask your children to identify the different vegetables in-store and to find vegetables they might not have eaten already."

Free Fruit for Kids is currently available in over 200 Pick n Pay stores across the country. Based on customer feedback, the number of stores participating in this initiative is expected to grow in the coming months. – iol.co.za

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# Coffee, with ice

Summer is just around the corner which means consumers across the globe will be reaching for cool, refreshing beverages. According to latest research from Mintel Global New Products Database (GNPD), cold coffee has drinkers buzzing, as around one in five (19%) global new coffee launches was iced, ready-to-drink (RTD) in 2017, up from 16% in 2015.

Chilled coffee is thriving in the US, growing at least 10% annually between 2013-17. In fact, more than half (56%) of new RTD coffee launches in the US were cold brew in 2017, up from 38% the year prior. What is more, in the US, cold brew sales at retail\* reached an estimated \$38 million in 2017, representing a single-year growth of 137%. Meanwhile, RTD coffee is also building momentum in China. Mintel forecasts annual growth of near an estimated 20% in the next five years as RTD steals more share from instant coffee.

Globally, Japan leads in RTD coffee innovation, accounting for 18% of all iced RTD coffee launches in 2017. The US follows, accounting for 13% of these launches in 2017, up from 10% in 2016.

But despite the rapid rate of growth of RTD elsewhere in the world, Europeans remain resistant to the lure of iced coffee. While Spanish consumers are most likely to have tried iced/chilled coffee in Europe, only 10% have actually purchased it either

from a store or online. Meanwhile, in "coffee purist" countries like France and Italy, purchase of iced/chilled coffee among all adults is just 3% and 4%, respectively.

While Europe has been slower to follow the iced coffee boom, Mintel highlights strong potential among younger drinkers. Two-thirds (66%) of UK 18-24-year-old coffee drinkers say chilled coffee is a good alternative to sugary drinks, compared to a quarter (26%) of drinkers aged 45+. This echoes what is happening in America where younger drinkers, who are less ingrained in the ritual of drinking coffee hot, have driven RTD coffee growth. Some 68% of US 18-34-year-olds currently consume single-serve RTD coffee (in bottles or cans), compared to 43% of total US adults.

Jonny Forsyth, Associate Director, Mintel Food & Drink, said: "Global investment in chilled, RTD coffee has increased as producers target a younger drinker who enjoys the format's taste, refreshment and indulgence. RTD coffee is proving a better

format for innovation than other hot-serve formats and, in 2017, manufacturers continued to push the format's boundaries. Cold brew is helping to premiumise the RTD category, and is growing fast in the US, albeit less so in other markets. But while new product launches of iced coffee have reached record highs globally, in the US, cold brew has emerged as a vibrant growth segment of chilled coffee, and could prove to be the tipping point for take-up of cold coffee in Europe. The key to success lies with the younger generation which has been introduced to chilled coffee in branded coffee shops, which are growing quickly in Europe."

## US tops global coffee sales, but Nordics drink the most

After experiencing strong gains from 2012-15, the US coffee market slowed somewhat from 2016-17 as market penetration of single-cup coffee makers grew saturated. However, the US is still comfortably the world's biggest market by volume, and is premiumising in response to the influence of the nation's dynamic coffee shops market. Last year, US consumers bought 607,000 tonnes of

coffee, followed by Brazil (425 000 tonnes), Germany (424 000 tonnes), Japan (304 000 tonnes), and finally Indonesia (268 000 tonnes). Meanwhile, in the UK sales of coffee stood at 63 000 tonnes, while in China sales reached 53 000 tonnes.

The US also leads the way in innovation, accounting for 11% of all global coffee launches in 2017, more than double the innovation of its nearest competitors Japan, France and the UK, each accounting for 5% of global coffee innovation.

While the US leads the way in volume sales, North European countries enjoy very high per capita consumption of coffee—especially in Finland, where consumers drank 7,91kg per person in 2017, and Norway, where they consumed 6,62kg.

### The rise of super coffee

The rise of 'super coffee' reflects how third-wave coffee shops (and some retail brands) have increasingly pushed coffee with health benefits such as added coconut oil, chia seeds, protein and grass-fed butter.

Mintel highlights opportunities for coffee brands to target health-obsessed younger drinkers seeking added health benefits. In the US, one in six (17%) 18-34-year-old

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male coffee drinkers view added functionality (eg extra protein, added vitamins) as important when choosing which coffee to drink. While in Germany, 41% of 16-44-year-old coffee drinkers are interested in trying coffee with added protein versus 21% of drinkers aged 45+.

Finally, it seems coffee is following global consumers' love affair with all things natural. In 2017, 10% of global coffee launches claimed to be organic, up from 8% in 2016. This rise was led by the US, where organic accounted for 22% of all coffee launches in 2017, up from 15% in 2016.

"Coffee with added protein is still a relatively unexplored area of global coffee innovation despite Starbucks targeting this space in the US market since 2015. Increasing attention to health and wellness among consumer globally will result in specific opportunities for coffee with added protein, as well as organic coffee, in the next two years. Europe has particular potential given rising interest in high protein diets and the popularity of milky coffee among younger adults," concluded Jonny.



## What's up with bottled water?

**The global bottled water market did not end 2017 without surprises. After years of strong growth, bottled water sales surpassed carbonated soft drinks to become the largest beverage category by volume in 2016.**

And the numbers do not stay idle. From 2014 to 2017 due to increasing concern regarding various health problems caused by consumption of contaminated water, the global bottled market grew to over \$200 billion following 9% yearly growth, according to the report on the bottled water market from The Business Research Company. In addition to health concerns, rising disposable income also let people in the Asia Pacific region influence the growth of the market significantly.

Access to clean drinking water in particular raise consumers' concerns and prompt them to seek out clean drinking water to maintain a healthy life

By volume, the market grew by 100 billion litres. The predictions for the bottled water market are above previous expectations. By value, the market is going to reach around \$350 billion by 2021, following 10% year-on-year growth. The volume's growth will be a bit lower, but not by a significant number, at 9.3. Global per capita average bottled water expenditure will also be in a growth stage to 2021, raising to \$45.3 by 2021 from \$32.3 per head in 2017.

The consumption of bottled water in 2017 was the highest in the Asia Pacific region, accounting for 42% of global

Consumers in the Asia Pacific region are also increasingly adopting new products with health benefits, such as functional water, which has added value in the form of minerals, oxygen, and vitamins

consumption. The Asia Pacific region is a host for two of the most populated countries where poor public infrastructure is quite common and access to clean drinking water is limited, which drove the market to such numbers. These conditions,

in particular, raise consumers' concerns and prompt them to seek out clean drinking water to maintain a healthy life.

Following the health awareness trend, bottled water consumers in the Asia Pacific region are also increasingly adopting new products with health benefits, such as functional water, which has added value in the form of minerals, oxygen, and vitamins. Since consumers prefer to try new tastes and follow the best of them, the availability of a range of flavours and options in functional water will boost market growth.

The second region ranked in terms of bottled water volume was the American continent. High average prices per litre for drinking water made the region rank the first in terms of value.

The global bottled water market is highly fragmented with a large number of local players present in most countries. To stand out among numerous competitors, companies have started changing the look and feel of packaging bottles to get more traction in the market.

The aim of producers is to establish a brand image and differentiation in the bottled water market.

Innovative packaging includes re-sealable and recyclable can packaging material, transparent sophisticated bottles, and inks and coatings applied on a can to enhance customer experience through unique visual effects along with increasing shelf appeal. The leading bottled water companies in the global market that have a multi-country presence are Danone, Nestle, Coca-Cola, and Pepsi-Co.

– *The Business Research Company*







The store entrance, separate from the exit, is spacious and inviting

# The FONTANA GROUP continues its journey

Recently, we wrote about the launch of the new Fontana SPAR store in Atholl square, Sandton. In this edition, it is the turn of the new SUPERSPAR at the Wedge in Morningside, Sandton. The Fontana group has once again delivered a store that meets and beats the expectations of its customers in Sandton.

The spacious store is replete with wonderful shopping experiences that delight the senses and keeps the customer excited as she moves from area to area. The LED lighting and wide aisles help to make the shopping trip a pleasure instead of a chore. Experiential shopping is the name of the game and this store has achieved this objective, ranging from its well-appointed Bean Tree Café and special Feigels Kosher counter to the special pizza area and the made-to-measure florist corner.

To complement the store and only one door away, is the magnificent TOPS liquor store. Matching the demands of the area, the store not only sports a wide range of beers, wine and liquor but also adds a special touch by allowing invited customers to settle into the Whiskey and Wine Lounge to taste specific drinks on special occasions before deciding whether to invest R10 000 or R100 000 on a bottle of their favourite tippie.

All in all, the Fontana group of stores continues to deliver top class outlets that suit the needs of the local area admirably.



The SPAR loyalty card is well supported by the store and consumers are reminded of its benefits



A novel way to cater for shoppers on wheelchairs and mothers with prams



Clever signage adds to the fun value of shopping at this store



The fresh-produce department welcomes the customers and sets the tone for the store



The "living wall" of fresh herbs hides a column and becomes the centre of attention in the fresh-produce area



The customers can order pizza to take away, but also for consumption at the coffee shop



The store is spacious enough to accommodate this Monster competition



This fridge is dedicated to ready-to-eat snacks and meals and is complemented by the juice bar next to it – ideal for office workers and housewives



The home-meal replacement section is well stocked and customers have a great choice for both lunch and supper



The store is dotted with special displays of imported goods to suit local cosmopolitan tastes



Feigels, a kosher food supplier, has a special area dedicated to prepared meals (the picture was taken on a Jewish religious holiday)



This specially made structure features promoted items that require a special place



The bakery follows the store's uncluttered look. Bread rolls can be bought on a self-service basis, while cakes are served by store staff



The fresh-meat counter is just the right size for selling meat cuts on order, while the self-service section displays the full selection



A general view of the front gondola run and the LED lighting



Although there is a proper charcoal and braai area in the store, the butchery was also given a small display for the convenience of the customers



Black is used throughout the store – the egg display is a good example of this design principle



The combination of "well" and "upright" display fridges works well for the frozen-food section



The Bean Tree Café is spacious and the separating wall has been well used for display purposes and impulse merchandising



General merchandise profit islands are dotted in some parts of the store and are ideal impulse vending points



Careful thought was given to the position of the ice-cream section where plugs and fridges were planned to provide both impulse and bulk shopping opportunities



The checkout area is uncluttered and the space has been well utilised



A manned florist counter gives customers the option of buying ready-made bunches of flowers or order them to measure



A slab was used above the cold room to produce a special tasting area – the Whiskey and Wine Lounge



A view of the liquor store from the tasting lounge



The TOPS liquor store next door is a treasure trove of experiences. The store allows the consumer to purchase a limited range of popular wines. Special lock-up cabinet displays allow the store to stock more expensive ranges. Here, the price range is typically up to R 10 000 a bottle



Wooden shelving is evident on the perimeter of the store and suppliers have been given ample opportunities to promote their brand



Open to clients by invitation only, this area is dedicated to connoisseurs who may want to invest up to R100 000 for a bottle of their preferred tippie

Special islands dedicated to specific displays (such as beauty ranges, scented candles) can be found in the store



# SA's growing appetite for convenience an opportunity for retailers

**South African consumers are facing an increasingly stressful, time-starved lifestyle that has created a burgeoning demand for convenient solutions that can help simplify their lives and points to a host of untapped opportunities for South African manufacturers and retailers.**

This stems from the latest report from global measurement company Nielsen, which focuses on the Quest for Convenience and explores changing global consumer needs and highlights the rapidly growing demand for convenience in markets around the world.

Clear proof that South African consumers are desperate to simplify their lives, is that when asked which products they "wish were on the market but are not", 40% want products that make their life easier, 36% say they would welcome more products that are convenient to use, while 25% said products for small families and households and 20% said products tailored to a specific need.

Nielsen Executive Director Thought Leadership Global Markets Ailsa Wingfield comments; "It's clear that convenience means different things to different consumers around the world, depending on their circumstances, culture, location, market maturity and access to technology. These are key influencers that are driving

the need for companies to offer solutions that address the growing need for convenience."

Overall, the Nielsen report illustrates consumers convenience choices are underpinned by their search for ease, utility and simplicity in three areas: consumption, shopping and engagement experiences.

## Meals on demand

In light of this, it's no surprise then that some of the biggest uptakes by South African consumers in their quest for convenience has occurred within the ready prepared and on-the-go meal solutions, home or office grocery delivery offerings, and tech-driven "on-demand" services. For example, one third (34%) of South African consumers are now using restaurant delivery (e.g. Uber Eats and Mr Delivery) or meal kit services (e.g. UCook and Daily Dish) up from 29% in 2017, and 19% in 2016.

Within this context it's interesting to note that local meal kit provider UCook recently reported a projected turnover of R80 million by the end of 2018 stemming from 100 000 meal kit deliveries this year. Evidence of the inherent potential for growth within this sector is also clear with the investment by local mass retailer Checkers having launched its own in-store meal kit service in August 2018.

## Fast food fanatics

Grab-and-go meals from quick-service, fast food and street vendors are also on the rise in South Africa, with 63% of local consumers having visited a fast food outlet in the past six months, 55% opting for casual dining and 34% visiting a formal restaurant. Lunch and dinner are the meals most likely to be substituted with out-of-home dining options, with 50% of South Africans opting to eat outside on a monthly basis, 18% weekly and 31% less often.

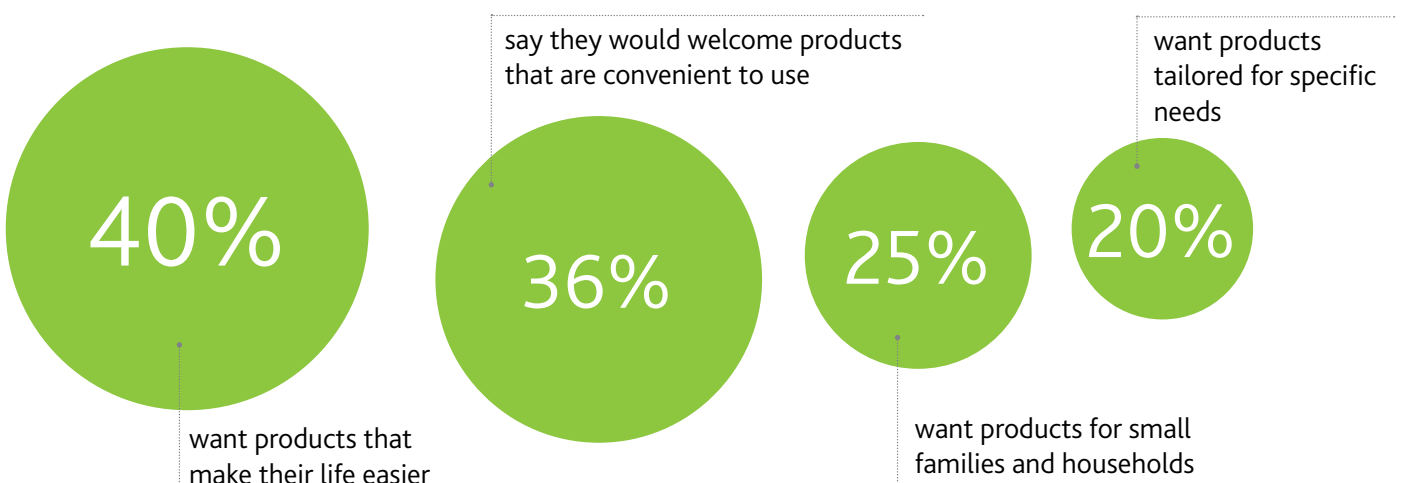
## Shopping shifts

Shopping experiences for consumers are driven by an evolving retail landscape, e-commerce and omni-channel facilities. A Nielsen e-commerce study across 30 countries indicates FMCG online sales are growing an estimated five times faster than offline sales, and by 2020 global FMCG e-commerce will be worth more than US\$400 billion and comprise 10% – 12% of overall FMCG market share.

## Ecommerce opportunity

Locally, the eCommerce market is not as developed, despite the saturation of mobile devices. This indicates an opportunity to tap into the ability of consumers to now be connected anytime, anywhere. This prevalence of connectivity provides multiple touchpoints for manufacturers

## Which products do you wish were on the market but are not?





and retailers to interact with consumers, and leverage localisation to improve engagement through personalised and in-the-moment recommendations.

Looking at how South African grocery retailers can solidify their online eCommerce presence, some of the factors that would encourage respondents to definitely buy online include, 45% who said retailers who provide same day product replacement service for products that aren't currently available, 43% said a precise delivery window (at 30 minute intervals) to fit their schedule and 41% said a website that provides real time detailed progress on the status of their order. In terms of customisation, 36% said that they would like to see online retailers who would allow them to make special product requests to suit their needs.

Against this backdrop Wingfield says; "Omnipresent technology adoption is providing an ever-increasing array of consumer data, enabling greater customization. As a result, FMCG players need to adapt to circumstances and provide integrated shopping experiences that allow consumers the freedom of greater choice of solutions that meet their needs."



## Shoprite Money doing bulk business

**Shoprite has opened its mobile wallet service to businesses, enabling them to send money to multiple receivers. This means that a business of any size can pay staff salaries or make other multiple payments safely, conveniently and free, using the Shoprite Money wallet.**

The mobile transactional banking service is available to everyone, even those without bank accounts.

It's a mobile wallet that allows customers to deposit, withdraw or send money as well as buy groceries at any till point in all Shoprite, Checkers, Checkers Hyper and Usave stores. Customers can also send money and buy electricity or airtime, provided they have funds in their Shoprite Money account.

Shoprite says that the service has attracted more than 100 000 registered account holders since it launched.

### Assisting with payroll needs

Shoprite Money is assisting businesses with their payroll needs and giving employees easier access to their salaries. All transactions are free with the exception of a R9,95 fee that only applies to cash withdrawals. The Shoprite Group absorbs all other costs.

Businesses using the service have a transfer limit of R5 000 per employee per day. The monthly limit is R25 000 per receiver of the money. However, there is no limit on the total file value.



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# Hypermarket Panorama at Pontedera in Pisa, Italy

Adapted by Hippo Zourides,  
contributed by Antonello Vilardi  
([www.retailwatch.it](http://www.retailwatch.it))

Pontedera, a small town of 30 000 inhabitants, is located 22 kilometers from Pisa. Although a small town, Pontedera hosts large companies such as motorcycle manufacturer Piaggio, chocolate producer Amedei, IT supplier Computer Discount, coffee producer Crastan and large distribution centres for Lidl, Unicoop Firenze and Pam Panorama.

The 3 000m<sup>2</sup> store is equipped with 11 checkouts of which four are self-service checkouts. The store is located in a mall and has two entrances. One leads the customer into the fresh-produce department, while the second entrance is focused on a promotional lane, where most of the advertised specials are on display. At the end of the European summer, the focus was on back to school, DIY and home car maintenance.

Panorama has managed to create interesting areas of "newness" to attract the shopper. Conventional departments expected in a hypermarket are interwoven with novel areas such as organic foods, a para-pharmacy, products obtained by using renewable resources and nickel-tested skin care products.

The store is equipped with electronic shelf labels. The butchery production area is behind glass and the meat products are available on a self-service basis. The "area ristoro" (restaurant area) is located in front of the gourmet food counter where customers can pay for their meals before consumption.

The 16-page mid-month (10-day period) promotional leaflet reminds customers that the chain has been serving the public for 60 years and has special offers for loyalty card holders (Carta PER TE).





## NATIONAL

## DIARY

30 November  
Port Elizabeth

#### Eastern Cape Wine Show

PE wine lovers should make it a date night for an evening of great wine tasting. Connect with winemakers or their representatives while tasting an array of around 250 of South Africa's best wines – all available for both sampling and ordering via Shop@Show.

## INTERNATIONAL

11 November  
Frankfurt

#### Health and Natural Ingredients Europe

This leading nutritional ingredients event provides a complete overview of the nutrition and wellness industries. International leaders in nutritional food and beverage innovation meet biennially to showcase their latest solutions and network, highlighting ingredients and solutions for food and drink formulation/reformulation, dietary supplements, nutraceuticals, organics, and packaging and processing and more, for a fully integrated view of the industry.

4 December  
Cairo

Food Africa specialises in the food and agricultural industries. The exhibition is a unique platform to access the Egyptian mega-market, and Africa's booming agriculture industry. Food Africa is the peerless portal to access major agriculture opportunities in Egypt and Africa.



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