

SUPERMARKET & RETAILER



PROFIT FROM MARKET FIRST INFORMATION



Business knowledge for smart retailers
ISSUE 8, 2021 www.supermarket.co.za

The write stuff

STATIONERY & OFFICE SUPPLIES

Household cleaning &
sanitisation



Contents



FEATURES

Stationery & office supplies



The write stuff: Ann Baker-Keulemans explores the vast stationery and office supplies category. Incorporating locally

manufactured ranges, budget options imported from China and Korea, luxury imports from Europe and North America, and everything in between, it's an exciting market.

Household cleaning & sanitisation



Jeanne-Riëtte Martins writes of the trends and insights of keeping it clean in 2021. In South Africa, the leaning products market had an estimated value of R20 billion in 2019, with the largest segment being laundry care. The Covid-19 pandemic

saw many consumers allocating more of their budget to cleaning products.

STOREWATCH

Storewatch: South Africa



Jaime van Aswegen says that dynamite comes in small packages when she shows us the revamp of the Norwood Spar.



Storewatch: Italy

Antonello Vilardi (adapted by Hippo Zourides) explores Master Ipercoop, an Italian hypermarket in a lower income area.

COLUMNS

Delight your customers

Aki Kalliatakis quotes the American idiom, "Dance with the one who brung you!" In other words, how can you expect your customers to be loyal if you are not visibly loyal to them?

NEWS

BMi research

Covid-19 pandemic has resulted in shifts in consumer demand for dairy products, as well as changed consumer purchase habits.

NielsenIQ research

A new report on the true cost of liquor bans of South Africa's liquor bans, including verified data up to end Q1, 2021 and insights and analysis of 'Where to from here?' for the local sector.

Retail excellence – an ever moving target

Jane Sarah Rosen's dad was a member of a retail team that visited Disney World when she was eight years old. Its objective was to instil a set of core values into these trainees and managers that would, in turn, re-energise the very values that drove the in-store retail shopping experience for staff and customers alike.

Advertisers Click on logo for more information



www.supermarket.co.za



Join us on our various platforms ... www.supermarket.co.za, on FB <https://www.facebook.com/supermarketandretailer>, IG @supermarketza, Helen on LinkedIn <https://www.linkedin.com/in/helenmaister/>, twitter @Supermarketmag or subscribe at info@supermarket.co.za

The year round season of Back-to-School



Helen Maister

In any normal year retailers would be starting the back-to-school planning and buying, getting ready for the year to come. Traditionally there would be a great influx of consumer spend in December and January for the upcoming school year.

This has changed suddenly in the past year. Consumers have had to take over their dining room tables or had to find nooks in their homes to work and study from. The home office has seen a new dawn. Companies have afforded employees a stipend for stationery and office supplies. Schools no longer have to print out reams of material for their students. It is all done at home.

The stationery industry is starting to boom with cute themes and pretty prints. There is a great drive to individuate and sooth the monotony of being at home constantly. The other side of the scale is good quality and at a good price, as the majority of South Africans are extremely price sensitive. Year round consumers are buying stationery as the need arises.

Long-term, the cleaning products market is always expanding and is undoubtedly one of the biggest markets, both nationally and globally.

Cleaning products are a necessity and any industry with such great demand fosters a large and competitive market. The basic need to keep one's home clean and hygienic on a regular basis means that consumers will always purchase at least a basic range. There are specific trends driving growth in the category, such as the increase in urbanisation, better standards of living, product innovation and accessibility of surface cleaning products.

A report by Mordor Intelligence finds that the leading cleaning product brands in South Africa have benefited from their extensive distribution networks across sales channels, with e-commerce having 'cleaned up' since 2020, in the light of Covid-19 and its effects on purchasing.

In this month's Store Watch we cover my personal favourite Spar – Spar Norwood. Everything you wish to purchase in one small store. I don't think I have ever gone to Spar Norwood, looking for some obscure product and come out empty handed. We also take a look at an Italian hypermarket in a lower income area.



The Covid-19 pandemic has resulted both in shifts in consumer demand for dairy products as well as changed consumer purchase habits with fewer customers' in-store and consumers favouring garage forecourts given their convenience.

As a result, garage forecourts have adjusted their product mix to ensure a more balanced offering between immediate consumption and future consumption pack alternatives.

BMI Research reveals that the local dairy market weathered these shifts in dairy products relatively well. The biggest winner in these consumer shifts was the buttermilk and maas category which recorded volume growth in 2020 compared to 2019.

Helen Maister

Helen Maister



- Manage your field sales teams better.
- Understand your promotional compliance.
- Pull your own reports. Own your data.
- Understand trade insights in real-time.



"ConnectFMGG has changed the way we understand our sales teams performance and promotional execution across all channels"

Nestle South Africa



Geo-Tagging & Staff Attendance



SKU Audits & Category Presence



NPD, Pricing & Ad-Hoc Surveys



Call Cycles & Route Optimization



Promotion Strike Rates



Planogram Compliance



Offline Capability



Artificial Intelligence Image Recognition

BRANDS | AGENCIES | DISTRIBUTORS

Call Jane: +27(0)72 252 7718 | weareconnect.co.za

✓ powered by  MegaVision Media

Who brung you to the party?

Aki Kalliatakis

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.

There's a wonderful American idiom that goes "Dance with the one who brung you!" If you know American culture, you'll know that it means that if someone invited you to a party, you should stick with them, not leave them alone, and certainly not go and hang out with others.

“There is an unwritten rule in society that you have an obligation to stay loyal to someone who has been loyal to you from the beginning.”

You probably agree with it when it comes to your friends and family in your personal life, but it all seems to fall apart in business. But it shouldn't be that way.



How can you expect your customers to be loyal if you are not visibly loyal to them?

I've said it before, and I'll say it again: how can you expect your customers to be loyal if you are not visibly loyal to them?

In compiling the content for my latest book, I brainstormed at least 156 ways to add value for your customers to capture their hearts (and their wallets), but the most astounding fact was that most of these ideas and innovations are free, or cost a minimal amount.

For example, my friend Taki, who own a business that manufactures and distributes biltong (for overseas readers, that's what is called 'jerky'), one small act of including a toothpick in the package

– worth just a few cents – made all the difference. Just a silly little toothpick to clean your teeth. (Of course, one of SA's biggest retailers picked up this idea and immediately imitated it.)

So what can you do to create a business or a brand that your customers love? What will create positive feelings about you? What will make them say "I know this is good for me"?

Most of us in business don't produce spectacular rock concerts, nor do we run theme parks or 5-star hotels.

But I know you want practical ideas, so here are some suggestions ...



- If you want to reward your best customers, by all means give them something meaningful and personal. I'm afraid that the typical points-based systems used by all retailers just don't achieve this.

But the message is the same as when you bribe your kids to eat broccoli. Broccoli is not as nice as ice cream, and you need to get a reward to eat it. But when the parents stop rewarding them, kids stop eating it.



Whether it's with kids, adults, employees or customers, we tend to default to carrot and stick – rewards or punishments ...

These are very powerful in the short term, but they often tend to undermine what they set out to achieve. They work in the short term, but at what cost in the long term?

These systems are expensive, hard to administer, cheapen your brand, are open to fraud, and now the government is starting to tax rewards.

- It's probably far more meaningful to give away free choc-chip cookies or sweets or bags of popcorn, or even vouchers that are tangible.



But it's also important to make it personal – to touch their hearts. So, for example, one Mozambican restaurant that we go to gives each person at the table a small paper cone of peanuts.

An ice-cream shop in Umhlanga always adds a small scoop of another flavour on top of your cone.

- Honour your customers, and make them feel important. As a minimum, recognise them when they walk in. Even if you just say "Nice to see you again." In 99% of cases you will be right! Introduce them to others. Ask them their opinion on a new product or a new display. Even scribble handwritten little thank you notes for them and randomly put them in their shopping bags.

- Use the power of positive emotions – it's so simple to make them laugh a bit with a corny joke, or by wearing something totally ridiculous, or even bringing in a magician. You can do quizzes, and lucky draws, and strange contests, and live music from your local high school band – or your staff doing a talent show. You can even bring in an out of work cartoonist or artist to draw their caricatures,

or a mime. We are dying of boredom, and a little bit of kindness goes such a long way. You don't even have to be a humour creator – you can be a humour curator. So start collecting the things that make you laugh and spread the joy. Humour is a secret weapon in business – and in life!

- People also love secrets and mysteries. Secrets create social currency, especially if they are remarkable and make people feel special and unique. You can include secret venues, secret guests, secret information, secret events, secret sales and previews, secret 'behind the scenes' tours. You can also reveal mysteries slowly, like a cliff-hanger in a TV series. Secret special service (like Chef's Table) or 'hidden menus' – for example, when you send them a secret note about where to find something that other customers cannot access – are all a lot of fun. Those that are 'in the know' love it and it makes them feel like insiders, which also creates communities or 'tribes'. And the dirty little secret about secrets? They tend not to stay secret very long!

- Nostalgia and tapping into older customers' memories is a great strategy – and a lovely loyalty spinner. I read once that nostalgia is the vice of the aged – and it's true! Remind customers of something positive in the past. For example, we all wanted to be a 'rebel' when we were younger and even old music brings back memories. I saw this at Pensioners Day at a butchery chain, and loved it. All five senses can be used – a certain smell



Just do something – anything –
that adds value.



immediately took me back decades. You could even send your customers notes and photos about positive events from their past – like what your store looked like when it first opened.

These are just a handful of ideas and, if you'd like, tell us if you want to hear more. The point is, just do something – anything – that adds value.

And don't just run off with someone else and ignore those who bring you. **SR**



Aki Kalliatakis is the managing partner of The Leadership LaunchPad, a company dedicated to helping clients become more customer driven. He can be contacted at (011) 640 3958, or via the website at www.leadershiplaunchpad.co.za



GRAIN FIELD
CHICKENS

Click here to visit our website and like us on Facebook.

CASE CLOSED

Energy Saving Solutions

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

Air Shield Glass Doors

Features and Benefits

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

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



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

The value benefit

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

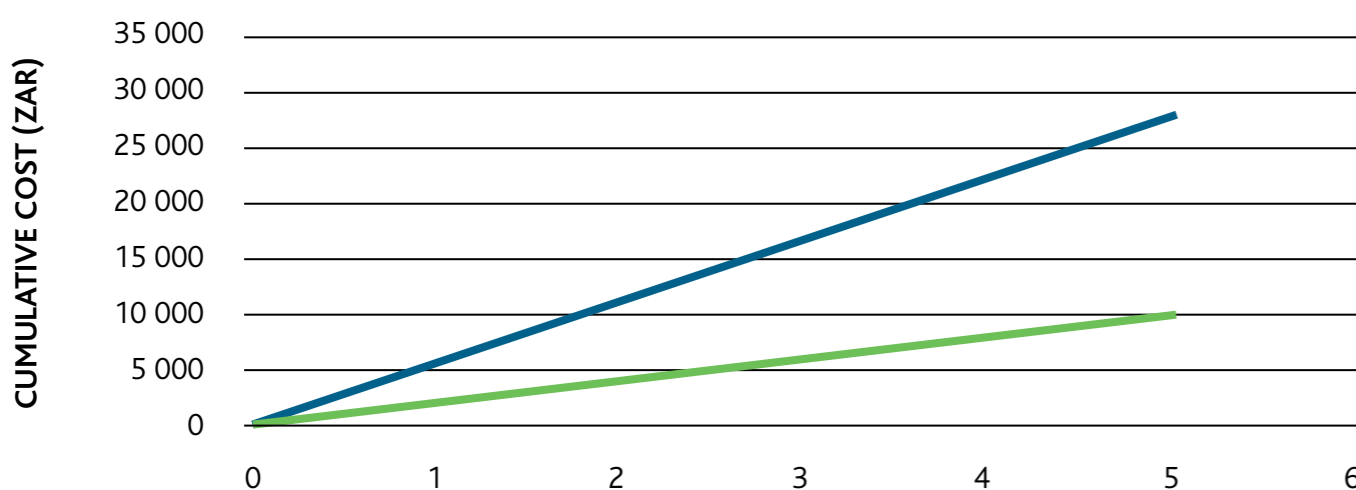
You can trust a Glacier door



Eco Leaf Freezer Doors

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

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



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

The write stuff

The stationery and office supplies category is vast. Incorporating locally manufactured ranges, budget options imported from China and Korea, luxury imports from Europe and North America, and everything in between, it's an exciting market.

In 2020, the Covid-19 lockdown was instrumental in driving the work-from-home trend and forced home schooling on a vast number of under-prepared families. There was a mad scramble for stationery, arts and crafts products, and office supplies. And then the world settled into what is fast becoming the new normal. Home-office set ups are taking shape while remote learning finds its feet. In addition, digitisation has shifted stationery and office supply requirements. Stationery needs are clearly changing, but to what extent does this affect the retail space?

Who is your target market?

Retailers should still be stocking stationery items and office supplies, albeit targeted for their catchment area and customer base of schools, universities, residential homes and complexes, office parks, large corporates, industrial and business areas, and small traders selling onto the end consumer. The secret is to understand the needs of each customer segment, to maintain and adjust the range and stock levels accordingly.

Work from home

The Covid pandemic has forced a revision of the traditional office-based model. Many businesses



“ Stationery needs are clearly changing, but to what extent does this affect the retail space? ”

have discovered that their employees are equally productive, and sometimes even more so, when based at home. Remote working is a far more sustainable practice than previously thought, and even for companies that might prefer their

employees to be on-site, continued safety concerns mean that a full migration back to the office is unlikely to happen soon.

It is for this reason that global and local businesses, including Shopify and Twitter, are



plastic ideas
crates



**WE
NEVER LET
YOU DOWN**



Proudly Made in SA

Tel. +27 11 613 8587
Cell. +27 83 333 1224 (Gilda)
E-mail. crates@plasticideas.co.za
[www. PlasticCrates.co.za](http://www.PlasticCrates.co.za)

providing their remote workforce with a stipend or reimbursements to cover at-home office supplies – and this covers everything from paper, pens, and printer ink, to desks, chairs, cushions, and laptop stands.

In some cases, an entire office set-up is required, particularly if the employee is going to continue working from home or is self-employed. In this case a full complement of stationery and office supplies is necessary – from cabinets and office furniture, files, and labelling, all the way through to mouse batteries, punches, and staplers. For those who have returned to the office, office supplies and stationery requirements may have also shifted as the company moves to more digitised or sustainable solutions.

The paperless office

Environmentally aware offices and individual consumers are driving the paperless office movement in an attempt to minimise their carbon footprint and produce less waste. In other cases, cost-cutting measures, efficiency initiatives, and technological innovations are encouraging paper-free workspaces.

For those who cannot go completely paperless, sustainable paper suppliers and recyclable materials are increasingly on-trend. This is offset by a growing middle class, a rising adult literacy rate, and an increasing number of consumers where price is the driving factor and the option of going paperless, or using sustainable supplies, is just too expensive.



The Protection of Personal Information Act (POPIA) has also affected the growth of the paperless office. For certain businesses, the repercussions of a data leak are so serious that no hard copies of data are permitted, and everything must be actioned, recorded, and stored online.

Back to (home) school

Of the parents we spoke with, most agreed that their home-schooling stationery requirements were less than what they would have had to provide according to stationery lists provided by schools.

In most cases, this was due to a reduction in loss – It's a lot harder for children to lose their stationery at home than it is for them to misplace it at school.

For many, school stationery lists are still the driving force behind their stationery purchases. Government schools have been sending work home via WhatsApp, and this requires students to have a full complement of school stationery at home.

That said, back to school needs vary wildly from age group to age group, and from rural to government to private school. This is where understanding your target market comes into play.

Digital transformation?

As a developing country, South Africa is behind in terms of equitable access to technology such as tablets, laptops, and personal PCs. Internet access is still out of reach for many rural learners, which means traditional stationery at affordable prices remains in demand. This demand is set to increase as government works to increase access to schooling for underprivileged and rural learners of all ages.

Private schools have been moving away from traditional paper notebooks and towards digital and online learning for some time now. Over the past year and a half, repeated school closures have seen a surge in online learning.

One teacher we spoke with commented that in the current situation, all the stationery she needs to do her job as a high school teacher is a red pen. Notes are sent digitally, classes are held online,

and even tests are taken and marked online. Similarly, her students may choose to take notes by hand, but many prefer to use some form of technology to do so, making their stationery requirements negligible and based mainly on personal preference. Of course, this may change according to the lockdown situation, but the move towards digitisation is and will continue to march on.

Need versus want

Stationery is a strange beast – some people use the bare minimum, while others covet and collect. In our mini consumer survey, several consumers admitted to buying more stationery than they needed simply for the pleasure of it.

Higher-end pens and notebooks were cited as ‘want’ purchases rather than ‘need’ purchases, with parents and teachers alike claiming that girls tend to enjoy stationery more than boys.

Price is a driving factor for many, but for those who can afford it, quality can also be important, and a fair number of consumers are prepared to pay more for a higher quality product. This is as applicable for notebooks and pens as it is for bigger ticket items.

For the consumer whose business depends on it, a reliable printer with good after sales support is preferable to a cheap and chirpy machine.

For people forced to WFH, home office set-ups have become vital, and consumers are prepared to pay for comfort in the form of ergonomic chairs, height-adjustable desks, foot rests, and laptop stands.



Stationery as a destination driver

As the demand for quality products increases, so too does the opportunity to create a destination shop with a carefully selected range of high-quality or bespoke stationery. A few key products that answer basic office needs are ideal – most consumers we spoke with mentioned pens, clutch pencils and lead, and notebooks as their most frequently used stationery items.

Typo recycled paper notebooks



Takealot stationery set

The Covid effect

A potential blow to the stationery market was dealt by the pandemic in the form of earnings and job losses. For consumers on the bread line, feeding their families takes precedence over school fees and stationery lists. For those who have lost their jobs or been furloughed, the need for stationery at home is greatly diminished. But whether this will have a long-term effect on the market is still to be seen.



Takealot Parker IM fountain pen



Cotton On notebook



Netflorist personalised notebook

NEW

MARLIN®



Writing Just Got Better

FOR A SMOOTH WRITE EVERYTIME

ULTRAGLIDE Gel ULTRAGLIDE

JOYMATE FUSION 3X

TOP-GRIP TRIGel

- Ergonomically Designed
- Superior Smoothness
- Smudge Free



Great for
School &
Office!

Back-to-School is bigger than ever

The global pandemic and subsequent lockdowns that followed were able to change the way schools, offices and workspaces operated. With many learners and professionals either opting to or being forced to work from home, a shift has been made to the digitization of the learning/work process and flow.



Aimed at building a lasting trade partnership, Freedom Stationery prioritises easy and convenient stock replenishment with extensive merchandising, point-of-sale and marketing support.

1m, 2m, 3m or 5m drops are available to suit your store, featuring fast-moving items with fantastic margins.

Despite this, there continues to be a demand in stationery and office supplies, especially in the build-up to back-to-school this year.

Learners attending online classes from home in particular, has resulted in an increased demand for equipment and supplies that would simulate the "in-class experience". Whilst stand-alone desks, monitors, chairs, keyboards, and classroom equipment have understandably enjoyed increased sales during the new normal. The industry has seen a high demand for the traditional office and stationery supplies. These range from basic paper products, writing instruments, school, home stationery to arts and craft supplies.

Marlin's extensive range of everyday stationery with an emphasis on providing "Real Good Value" by offering high quality products at competitive prices is perfectly positioned to meet this demand, with a host of supporting brands that are geared toward consumer needs.

This, in essence, means that the demand has not changed for the back-to-school season. If anything, it has increased, and retailers should work towards meeting this demand by stocking stationery items and office supplies, particularly product ranges that are geared more specifically to their market.

Marlin doesn't just provide the stock, but presents an entire offering that has been designed to serve as an end-to-end solution for every stationery department.



Marlin and Freedom Stationery welcome you to get in touch for more information on how to take advantage of the increased demand and how best we can make our brands work for you.

www.freedomstationery.co.za



Basic school stationery is a guaranteed market, and as these requirements differ between age groups, but change very little year on year, retailers can easily base their stock on the stationery lists of local schools. A word of warning though: if you are going to offer a stationery range, do so reliably and consistently.

Retailers face stiff competition from specialist stores, forcing a cost versus quality standoff. Retailers can often afford to cut prices, or offer a lower-cost range, whereas speciality stores must also cater to consumers looking for high-end or unique solutions, gifts, and luxury items.

A Typo or Cotton On notebook may cost more than an own-brand exam pad, but certain consumers are willing to pay for a fun, quirky, or themed product. Speciality suppliers such as Waltons or Makro offer a one-stop home-office shop and also provide discounts on bulk purchases for smaller offices. Larger companies may also go direct to suppliers for the majority of their on-site office equipment and stationery needs.

Buying habits

- Online sales have taken off during the pandemic, as consumers try to shop safely, keep socially distanced, and manage their time effectively. It is for this reason that online retailers such as Takealot have made inroads into the stationery and office supplies market.
- Following suit, retailers and speciality suppliers have had to up their online shopping and collection or delivery options. As restrictions loosen, consumers who enjoy the visceral shopping experience return to stores but may still use online shopping as a convenience measure.
- Certain times of the year, particularly the back-to-school rush, result in loss-leading deals on stationery being offered to draw customers into the store. The hope here is that the deals on offer are good enough to encourage shoppers who will then complete the bulk of their shopping in-store. This approach may not be as effective in the future, however, with online shopping making it far easier for consumers to be picky about what they buy from where.

What to stock

With an overwhelming array to choose from, retailers often turn to own-brand products and traditional favourites



TASTE THE FUTURE

COLOGNE, 09.-13.10.2021



#transform

Secure your ticket now!

Southern African - German Chamber
of Commerce and Industry
P.O. Box 87078, Houghton 2041
47, Oxford Road, Forest Town, 2193
Johannesburg, South Africa
Tel. +27 (0)11 486 2775
dvanjaarsveldt@germanchamber.co.za



that enjoy brand loyalty from consumers.

Understanding the needs of your customer base is vital to stocking the correct array of stationery and office supplies, while also taking into account the competition from speciality suppliers and online outlets. Stores with a lower LSM base must remain price-driven, whereas stores with a consumer base that has more disposable income can look at a more varied offering.

South Africa as a growing market

An article on the Africa Business Pages website suggests that we can expect to see growth in the 2020 – 2026 period in the stationery and office supplies category, at an international level as well as the local one.

The article says, “According to a recent report issued by the Emirates Industrial Bank Journal, demand for stationery and allied paper products has seen a growth of almost 27 per cent in the last two years.” A major portion of the increased imports of stationery products has been attributed to the increasing demand for these products in Dubai’s re-export markets, (e)specially the emerging markets in Africa.

Dubai wholesalers offer African retailers a comprehensive range of stationery products, at a range of prices. Cheap imports from China, Korea, and Hong Kong are as readily available as higher-quality products from Europe, North America, and Asia. They also allow retailers to buy only what they need, instead of having to commit to a set container load directly from the manufacturers.



The African Business Pages article goes on to say that “Industry experts believe that African markets are extremely price sensitive and most of the requirements originating from Africa are for low priced goods – quality being a secondary consideration.” It does, however, point out that South Africa is becoming known as a major destination for stationery products, with the country emerging as one of UAE’s leading trading partners in the region. The report also says that South African consumers are no longer satisfied with poor quality products and are willing to pay good prices for quality products.

Sources:

www.africa-business.com/features/stationery

www.cna.co.za

www.prnewswire.com/news-releases/global-office-stationery-and-supplies

www.timeslive.co.za/sunday-times/business

CNA – A case study

The journey of CNA exemplifies the pitfalls associated with being a speciality store with too many specialities. Their recent rebirth, however, shows a renewed focus on stationery and home-schooling. The CNA website states that the chain has “embarked on a 5-year growth plan focussed on smaller store/shop sizes in convenient locations to better serve the broader South African customer.”

In addition to this they have narrowed their focus to a full range of “scholastic, home office and fashionable on trend items,” as well as an improved arts and crafts offering (no doubt fuelled by increasingly desperate parents faced with prolonged home schooling and the entertainment of younger children).

They are also undertaking to provide a comprehensive early childhood development (ECD) range. Whether this strategy will work remains to be seen, as nobody predicted the impact Covid-19 would have on retailers and the economy as a whole. **SR**



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

@Wilkins Ross Communications (Pty) Ltd



Household cleaning & sanitisation

Trends, insights & keeping it clean in 2021

In South Africa, the cleaning products market had an estimated value of R20 billion in 2019, with the largest segment being laundry care (www.prnewswire.com). While the health threats and lockdowns brought about by the Covid-19 pandemic saw many consumers allocating more of their budget to cleaning products, especially surface cleaners, toilet cleaners, bleach and alcohol-based sanitisers, the economic fallout from the pandemic has also meant a pullback on spending. Manufacturers are hopeful that this will be short-term, as the vaccination programme rolls out, the country unlocks, and the economy picks up.

Overview

Long-term, the cleaning products market is always expanding and is undoubtedly one of the biggest markets, both nationally and globally. Cleaning products are a necessity and any industry with such great demand fosters a large and competitive market. The basic need to keep one's home clean and hygienic on a regular basis means that consumers will always purchase at least a basic range.



Image by Monstera from Pexels

There are specific trends driving growth in the category, such as the increase in urbanisation, better standards of living, product innovation and accessibility of surface cleaning products. A report by Mordor Intelligence finds that the leading cleaning product brands in South Africa have benefited from their extensive distribution networks across sales channels, with e-commerce having 'cleaned up' since 2020, in the light of Covid-19 and its effects on purchasing.

Manufacturers are focused their marketing and advertising efforts to promote the germ-killing capabilities of their products to capitalise on the domestic cleanliness craze, also driven by the pandemic

Major retailers remain the preferred place for consumers to purchase their domestic cleaning products. Just why do consumers choose one store over another? The decision is made based on multiple factors – price, product availability, product performance and selection, as well as convenience. Price is a destination driver for bigger shops and convenience plays a role for top ups.





don't just touch,
sani-touch[®]
Infection Protection Products (Pty) Ltd



**Proud local manufacturer
of pre-saturated wipes, sanitisers,
cloths, dispensers and consumables.**

ENQUIRE NOW

TO PROTECT YOUR STAFF AND CUSTOMERS
sanitouch@sanitouch.co.za

Trust the brand you know!
www.sanitouch.co.za

Clear sales trends

- Disinfectants including surface cleaners, bleach, soap, and hand sanitisers have seen dramatic increases in sales volumes since the outbreak of the pandemic. The emphasis here is on the proven effectiveness of these products in killing germs. Since the outbreak the World Health Organisation (WHO) and the South African Department of Health have suggested that disinfecting high-touch surfaces in the home with bleach could be key in helping to curb the spread of Covid-19. This certainly was good news for manufacturers. News24 reported in June 2020 that Unilever had tested their Domestos thick bleach in a leading US laboratory and the results proved that the product kills the SARS-CoV-2 (Covid-19) virus in one minute. This was a highly reassuring result, and Lethepu Matshaba, Vice President Home Care, Unilever, spoke of the accessibility of the product for South Africans to protect their safety during the pandemic, saying, "Not only are bleach products proven to be effective against the Coronavirus, but they are also easily accessible and affordable.

- Consumers are increasingly buying in bulk and the demand for multi-purpose products is strengthening. The global multipurpose cleaners market is projected to reach a value of approximately USD 5.15 billion by 2026, according to the latest research forecasting. The multipurpose cleaners market growth is driven by their ability to eliminate germs, bacteria, and dirt, and also due to rising product innovation by the major manu-



Image by Matilda Wormwood from Pexels

facturers. Multipurpose cleaners are widely used for disinfecting and cleaning various surfaces in homes. Most are positioned as offering long-lasting freshness and can be used on hard, non-porous surfaces in bathrooms, kitchens, and other areas in the home. These varied benefits are the notable point of attraction for consumers, though there is a developing concern with regards to the chemical raw materials used in the production of these cleaners.

- Due to concerns about toxicity and environmental friendliness, less harmful biological products and packaging are being developed, and natural ingredients are becoming more widely included. In laundry care, the global trend is in the change from powder and bar products to more concentrated products which are available in liquid, liquid tablet or pod form.



Advertising speaks to the consumer's need for multipurpose products with the power to eliminate germs and bacteria throughout the home.

Cleaning up our environmental act

There is a growing concern that the more frequent use of household cleaning products and chemicals could be placing people, their children, and animals in danger of toxic load – a build-up of harmful toxins in the body through exposure from food, personal care, and household cleaning products. This, as well as a drive towards more responsible sourcing of raw ingredients, such as palm oil, is largely propelling a shift from chemicals to sustainable biological products. The market for eco-friendly cleaning products is growing steadily across the globe.

Manufacturers have been diversifying their product portfolios by adding sustainable and eco-friendly cleaning ranges featuring natural, vegan or chemical-free ingredients. Catering to the growing demand has allowed certain brands to gain a larger market share while maintaining their position in the South African home care market.

These products are considered safe, non-toxic, biodegradable and the packaging is generally made with sustainability in mind. However, going green in terms of cleaning can be costly and difficult to achieve. Consumers should be informed and aware of labels claiming terms such as 'environmentally friendly', 'eco safe', or 'green', which may be open to interpretation.

Ecolabels are a good tool to help purchasers quickly and easily identify certified and environmentally responsible products. Eco-Choice Africa (ECA), established in 2001, is Africa's first consumer goods-focused ecolabel and a member of the Global Ecolabel Network (GEN). This international body develops and monitors standards compliant with ISO 14024, regulating ecolabels globally. Licensed products are internationally recognised, allowing trade between all member-countries of the GEN.

The Eco-Choice Ecolabel Standard specifies environmental performance requirements of general purpose and laundry cleaning products, seeking to define good environmental performance benchmarks for a wide range of cleaning products. These benchmarks include energy- and water usage, waste management, procurement, awareness,



Image from Getty Images

There are specific trends driving growth in home cleaning products, such as the increase in urbanisation, better standards of living, product innovation and accessibility of surface cleaning products. A report by Mordor Intelligence finds that the leading cleaning product brands in South Africa have benefited from their extensive distribution networks across sales channels, with e-commerce having 'cleaned up' since 2020, in the light of Covid-19 and its effects on purchasing.

and requirements for ethical trading. A product bearing an approved environmental label communicates to the consumer that they are purchasing a product which has been verified and is not misleading on environmental aspects.

That said, value for money remains essential in consumer purchasing behaviour across the country, says Mordor Intelligence. In a struggling economy with consumers having lower disposable income, there is a marked demand for cost effective alternative products. Value offerings have brought about the rise of private label ranges from leading retailers.

Industry growth through private labelling

Home care, cleaning products and polishes are essential items in the shopping trolley of the South African consumer, and the market is on a steady incline across all income groups. House brands offered by retailers have developed and come into their own, with budget-conscious consumers economising by switching to private label products such as Pick 'n Pay's 'No Name Brand', Checkers' 'Housebrand' and similar lines from Woolworths, Spar and others.

The private label cleaning products market is driven by attractive discounts and promotional offers, and also employs appealing packaging, innovation and marketing that simultaneously meets the consumer's demand for eco-friendly and cruelty free options.

As an example, Pick n Pay offers a range of cleaning products under its PNP 'Green' brand label that are certified as vegan and cruelty free, biodegradable and non-toxic – addressing the increased consumer focus towards environmental awareness in health and hygiene.



Image courtesy of Checkers

Checkers strives to make it easier for customers to make better choices, by providing earth-friendly alternatives which are accessible and affordable, with their Simple Truth range.

Checkers' 'Simple Truth' range contributes to the demand for products that help save the environment with a selection that is biodegradable, cruelty-free, and features naturally derived cleaning ingredients. The principle is making it easier for customers to make better choices, by providing healthier alternatives which are accessible and affordable.



“Consumers are increasingly aware of how their actions can affect the environment, and those looking for ways to minimize their carbon footprint are thinking in new ways, which includes using home remedies,” says Sarah Peters, Global Business Partner, Nielsen. “While environmental considerations may be a secondary purchasing driver for many consumers, as more shoppers lean towards green, manufacturers that balance environmental benefits with strong performance results and cost effectiveness will be positioned well for success.”

On the other side of the ecological coin, one can still argue that purchasing decisions in respect of cleaning products are primarily focused on product performance, price, brand, and ease of use, with environmental impact usually lower on the priority list.

Big brands make a clean sweep

Large multinational fast-moving consumer goods names continue to dominate the multi-billion-rand industry. With their traditionally strong brand awareness and among South African consumers, big brands such as Unilever, Reckitt Benckiser, Procter & Gamble, Colgate-Palmolive, and SC lead the pack when it comes to household cleaning products. However, there are also many mid-size and smaller players, and some have done very well, such as Bliss Brands with their MAQ washing powder brand that has grown to become a household name.

SC Johnson & Son retains the lead in toilet care, attributable to the Duck brand which is highly

trusted among consumers who are more aware than ever of the areas where extra care is necessary for cleaning. Toilets and kitchens are high concentration areas for germs and with people spending more time in the home, consumers want to focus on the proper cleaning of these areas. Home care products that are ultra-effective whilst offering value for money, like multi-purpose bleach cleaners, remain top performers in the industry.

Consumer priorities – hygiene and disinfecting. Shoppers in the household cleaning aisle are likely to focus on hygiene for as long as the pandemic is still with us. Cleaning products have become part of the domestic survival strategy, and this has meant a surge in sales of antibacterial products and disinfectants, as people are not only cleaning but are far more conscious of disinfecting in their homes.

Home care and staying healthy have merged and this presents an opportunity for retailers to apply smart merchandising with displays that feature products that highlight the cleaning and health aspects, such as anti-bacterial and powerful hygienic cleaning.



Laundry and powders

The focus on cleanliness has touched the very fabric of consumers' lives. Sales of surface cleaners, disinfectants and hand sanitisers have skyrocketed over the past 18 months and similarly, laundry detergent, bleach and other fabric care products have also benefitted from the increased awareness about hygiene.

Ellen Chen, Research Analyst, Euromonitor International, says, "Detergent and complementary products such as liquid fabric softeners and dryer sheets have increased. We've also seen powder detergent and bar detergent increase from previous declines, supporting the fact that consumers are doing more laundry during the pandemic." Further findings from Euromonitor International indicate strong performance by leading brands during 2020 as consumers were spending their money on trusted products. Yet, research also shows that consumers have been willing to experiment with new brands and products when retailers were low on stock or when purchasing online. Private label offerings in laundry care have also seen firm demand among consumers seeking value for money.

Performance seems to top the list of attributes that consumers prioritise when purchasing their laundry detergent. They seek out the products that are best at removing stains while providing colour protection. As with other home care products, value is of utmost importance, with consumers wanting high efficiency using less water/shorter cycles and being able to wash for a variety of fabrics.



Photo by Rodnae Productions from Pexels

Performance seems to top the list of attributes that consumers prioritise when purchasing their laundry detergent. They seek out the products that are best at removing stains while providing colour protection. As with other home care products, value is of utmost importance, with consumers wanting high efficiency using less water/shorter cycles and being able to wash a variety of fabrics.

Consumers seem to be washing smaller loads of laundry far more frequently to remove germs and bacteria from the home and after public outings. As an extra precautionary measure, consumers are also washing at higher temperatures and purchasing more bleach products and sanitisers than previously seen, the data shows.

The pandemic created a clear shift in the way consumers behave and approach purchasing choices. It is predicted that as the world continues to battle the pandemic and consumers keep increasing their use of laundry products, the fabric care market will stay on an upward curve.

In terms of eco-friendly products, current market trends indicate a demand for products providing reliable cleaning power and budget friendly prices. Consumers are looking for additional benefits in

their products, including natural fragrances, less harmful ingredients, and packaging options such as refillables and recyclables.

Global consumer goods company, Unilever launched its 'Clean Future' campaign in South Africa in late 2020, explaining their strategy to encourage the use of renewable or recycled carbon sources as opposed to non-renewable fossil fuels, transforming the chemical composition of its cleaning and laundry brands.

Lethepu Matshaba, Unilever Homecare Vice President for Africa says, "The move to sourcing renewable sources of carbon in the creation of our products is a deliberate shift away from the fossil fuel economy and a critical step towards our pledge of net zero emissions by 2030." The scale of Unilever's market reach gives a powerful context to the potential impact of the campaign, "We work with 6 200 employees across 150 factories. Homecare has a turnover of \$12,6 billion, or 21% of total Unilever turnover. Over 1 billion people [use] our product every day," says Matshaba.

Unilever has since partnered with LanzaTech and India Glycols to produce a surfactant (an ingredient used to create the foam and cleaning action in many household cleaning and laundry products) made from industrial carbon emission instead of fossil fuels. This marks the first entry into the cleaning market of a surfactant that has been made using captured carbon emissions. The surfactant will be used in an OMO (Persil) laundry capsule and was launched on World Earth Day 2021 (22 April) in China.

Sanitisation and hygiene

It's not surprising to note that the sale of hand sanitisers and related antibacterial products has soared more than 900% according to Nielsen's research. Hand wipes and liquid soaps have experienced similar growth and both new and established brands stand to benefit in the current market.

There are many new entrants in the sanitisation space and interestingly, some who have staged a comeback like Unilever's Lifebuoy, introducing range extensions of sanitiser, hand spray, handwash in addition to the trusted soap bar. Interestingly, Lifebuoy soap was born in the midst of a cholera pandemic in 1894 and has a long history in catering to the hygienic demands of concerned consumers.

Taking a long-term view, hand sanitiser has become an essential in the personal care shopping trolley. New products are so prolific that merchandising has become more important than ever, placing products at high-traffic locations with clear messaging.

Experts agree that while consumers are looking for protection during the pandemic, they also prefer simplicity and ease of use. It can become complicated for the average person to distinguish between cleaning, sanitising, disinfecting, and antibacterial products. Therefore, bold and clear messaging is helpful in making customers aware of what kinds of products they can use where, to achieve the results they ultimately want.

International innovations



Image by Cottonbro from Pexels

Too many to mention

Here are three examples ...

- In the ever-developing sanitisation market, demand is delivering continuous improvement. Unilever was prompted to launch moisturising hand sanitisers in its Dove line, as constant washing and sanitising has led to a need for products that also care and protect the skin. These products launched in the UK in February 2021.
- Reckitt Benckiser released a line-up of Dettol products for UK customers who are concerned

about the environmental impact of cleaning products, with their Tru Clean range. These products are free from bleach, dyes and phosphates and for added peace of mind, zero waste goes to landfills during the manufacturing process.

- The children's (parents) market sees sanitisers colourfully branded with popular TV characters in fun, fruity fragrances.

In-store sanitisation

Retailers are required to provide hand sanitisation for their customers in accordance with national regulations. Particularly in the initial months of the pandemic in South Africa, the excessive demand for effective alcohol-based hand sanitisers led to some manufacturers falling short of the national standard. Ingredients were found to be inadequate in their concentration and counterfeit certification was added to shady product labels. As a result, the South African Bureau of Standards (SABS) has published amendments to the national standard, SANS 490, which specifies the requirements for all alcohol-based hand sanitisers.

"In consultation with the South African Health Products Regulatory Authority (SAHPRA) and international guidelines set by the World Health Organisation (WHO), the amended SANS 490 provides greater and more detailed requirements for hand sanitisers and hand rubs," says Jodi Scholtz, Lead Administrator, SABS.

These requirements include the regulation of the alcohol content and other active ingredients, as well as a list of prohibited ingredients.



Furthermore, packaging and labels must provide certain information, and products are to be submitted to the SABS for testing in accordance with the new regulations. Official certification of alcohol-based sanitisers can take approximately three months. The products will then bear the 'SABS Approved' Mark Scheme, being classified as safe and effective for use.

“Since the outbreak of the coronavirus, the SABS and its technical committee, together with regulatory authorities, have been working vigorously to review and publish South African National Standards that are able to respond efficiently to protect the health and safety of South African citizens,” says Scholtz.



Image by Gustavo Fring from Pexels

How to keep the hygiene momentum going in retail stores

Sanitisation is now, more than ever, a critical component of running a successful retail business. Your store plays a vital role in keeping the public safe and assisting in minimising the spread

of Covid-19 as much as possible. This, of course, is no easy feat when you are dealing with constant foot traffic, patrolling safe social distancing, and finding the time to clean and sanitise frequently touched surfaces.

It is possible to successfully ensure the continued safety of your store environment with an effective hand sanitising strategy that includes choosing the right-hand sanitiser, placing the sanitising stations strategically, encouraging hand hygiene with clear signage for customer education and enforcing a strict in-store hygiene policy and schedule, amongst others.

Keeping your customers and employees safe can be a heavy burden and with Covid fatigue creeping in, management of your store hygiene procedures is crucial to keep the momentum going. Constant review of schedules, checklists and signage will help to make sure that your systems are working

effectively. Paying attention to the small and seemingly minor details and keeping up with the latest updates from health officials will ensure that you are doing your utmost to provide a safe, healthy, and clean shopping environment. **SR**



Jeanne-Riëtte Martins is a multi-specialist writer with a degree in Industrial Psychology. Influenced by her background in human resources and industrial relations, she writes on issues that impact businesses from SMMEs to corporates across various industries. Her writing repertoire includes B2B and B2C content for print and digital platforms. She is also an award-winning blogger for some of South Africa's largest food and family lifestyle brands. jeanne@wilkinsross.co.za

Image Matilda Wormwood from Pexels



Dynamite comes in small packages



Jaime van Aswegen
Staff writer
Supermarket & Retailer

Super A Spar, now known as the Norwood Spar, was established in 1938. This founder member store ranks as one of the first 10 Spar stores to open up in South Africa.

Being owned and managed by family and extended family for over 83 years, co-owner George Mouskides provides us with insights about this local destination store.

The 1 050m² FOH (2 700m² in total) retail space was scheduled for a revamp as the dreaded Covid-19 pandemic hit South Africa. Sticking with their decision, they proceeded with the revamp of the store over a year later.

A dedicated team of experts assisted and most upgrades were completed in the evenings. This ensured little to no impact on the shoppers who frequent the store. Solar panels have been installed to assist with energy generation and saving.

This store is situated in an area that is surrounded by families from various religious groups. To meet these varied community traditions and practices, the bakery caters a wide range of freshly baked



Vintage image of the store



The store's history displayed, going back to Andrew who founded it in 1918



Norwood Spar – now a local destination store





We Cool

You Sell

goods. The store boasts a separate Kosher HMR section that follows strict regulations around meal prep. The general HMR department is also well stocked to provide simple and tasty meals that are ready-to-go. The Butchery division caters for general, Kosher and Halaal meats – all situated in dedicated fridges around the store.

It was exciting to find many different brands and products that aren't readily available in most retail outlets and, after chatting to management, it was evident that they pride themselves on sourcing and providing products for any niche request they may receive. This has ensured customer satisfaction which, in turn, has provided the store with many loyal clients.

The family essence that the business runs on can be felt all around the store, where loyal shoppers call staff members by name. The store values their staff and runs it with heart. Norwood Spar employs 110 staff, which is more than most stores this size.

Mouskides spoke about keeping certain employees on even though they were not essential to the team. They view this as part of their social responsibility. A few old age homes and schools in the area also benefit from the store's social responsibility programme.

The Norwood Spar story reads that their objective is to continuously strive to achieve the highest standards of quality. They consistently meet the needs of every customer in caring – and in the homely way which is truly felt at this neighbourhood Spar.



Lovely fresh produce greets shoppers

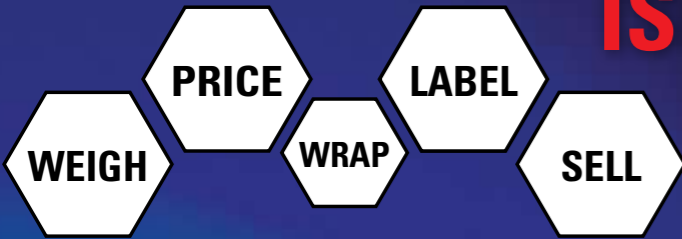


Grab and go sushi platters

Kosher HMR following all protocols

Automatic weigh/wrap/label machine that can wrap an 80 tray perfectly every time.

ISHIDA WM-AI



Call us to discuss any weighing, labelling and barcoding applications:

Email: jim.pinder@avocetsa.co.za
wesley@avocetsa.co.za
 Website: [www.avocetsa.co.za](http://www.avocetscales.co.za)

Or call our branch nearest to you:

Johannesburg South – Tel: (011) 613 5838
 Johannesburg North – Tel: (011) 794 3463
 Cape Town – Tel: (021) 982 7321
 Durban – Tel: (031) 701 5225
 Bloemfontein – Tel: (051) 430 1198
 East London – Tel: (043) 726 7541
 Nelspruit – Tel: (071) 683 1285
 Port Elizabeth – Tel: (041) 364 0718
 Polokwane – Tel: (015) 293 2013



- 12.1 Colour touch screen offering user friendliness
- Small footprint – occupies 1.12m² of floor space
- Fast operation speed up to 35 packs per minute
- Hygienic design with stainless steel covers limiting the use of plastics
- Easy to remove and clean parts, increasing productivity and production
- 2 film operation wraps smallest to largest trays available (up to an 80 tray)
- Eye catching label designs
- Operator adjustable wrapping tensions
- No openings on the bottom of wrapped trays
- Auto tray detection and centering for accurate label placement
- Dual Labeller version available to label packs with ingredients or promo labels on demand



ISHIDA UNI-9 Range



ISHIDA UNI-5/7 Range



ISHIDA UNI-3 Label Printing Scale range



****Uni Series now available in Linerless****
 Simply a CUT above the rest

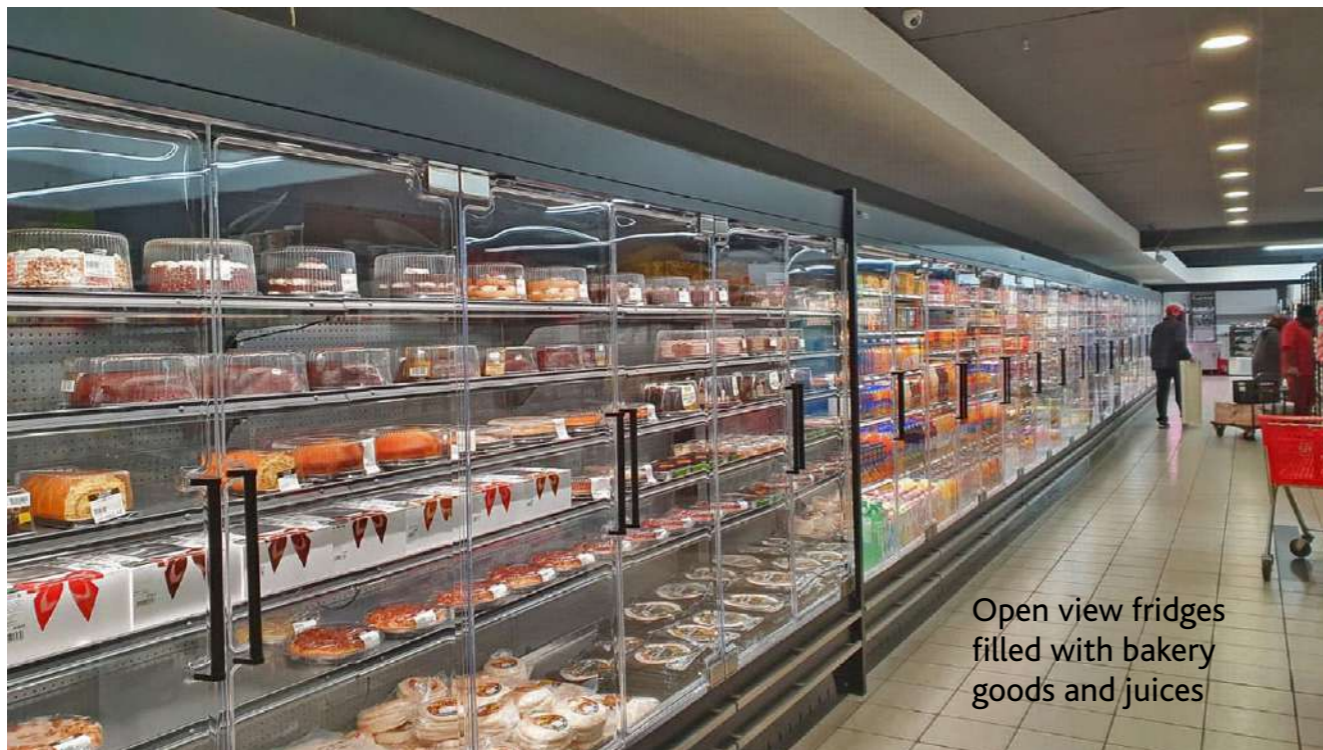




Regular HMR with an extensive range of hot meals ready to go



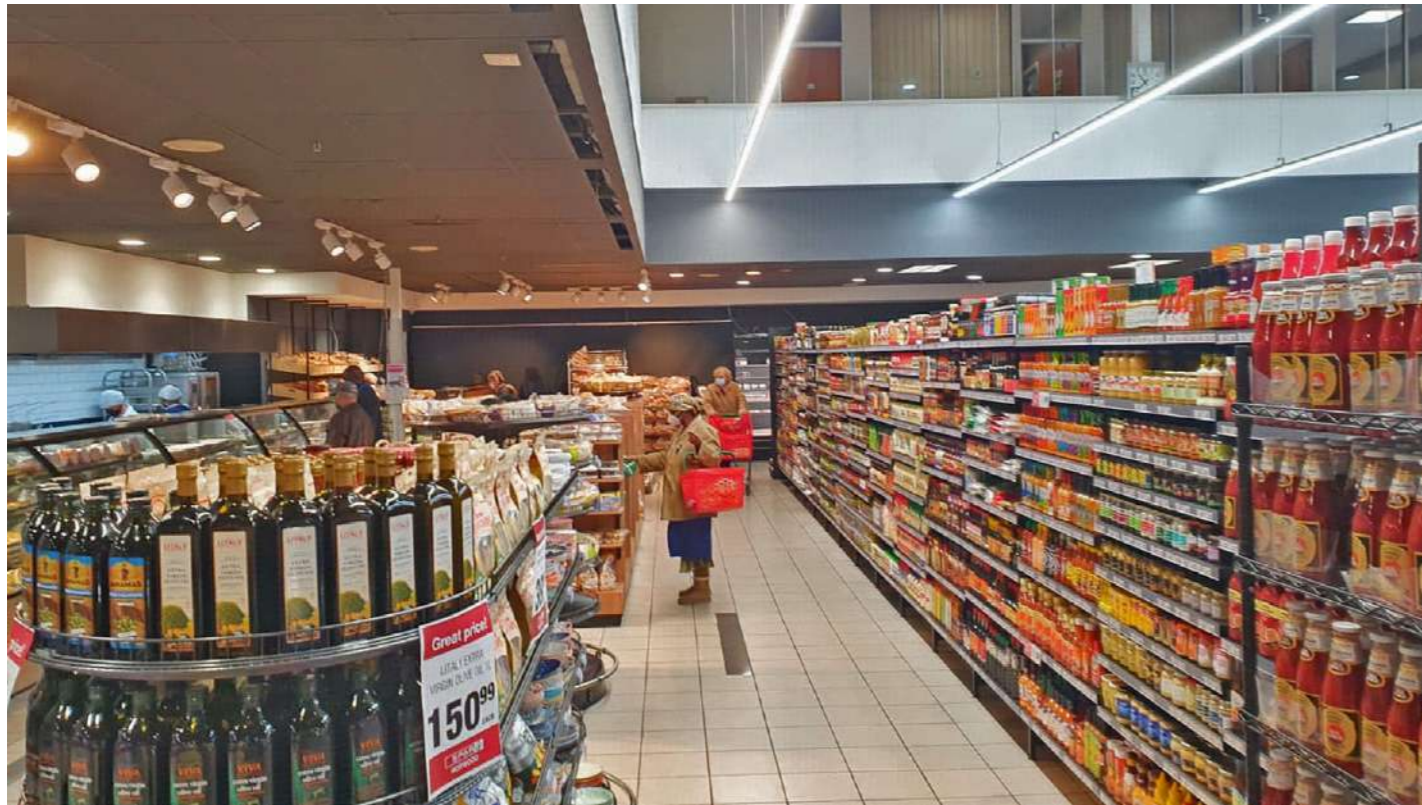
Anniversary brochure from store published in 1999



Open view fridges filled with bakery goods and juices



Fresh kitka with different toppings to cater for any taste



New island shelves filled with an extensive range of products



Food service prep in full swing



Check out queues lined with an array of exciting products



Aerial view of the store from the offices

Want to improve your efficiency and profitability?

Integrated retail
management
solution

giving you the edge



Retail



Enterprise



Mobile



Financial
Integration



Loyalty



eStore



eReplenish



Value Adds



Fuel

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





Shelves are continuously restocked



Checkout counters and staff follow Covid-19 protocols



Fresh flowers for all occasions



Refreshments fully stocked





Entertainment options for children



Krispy Kreme stand filled with delicious doughnuts



Halaal butchery items in a dedicated fridge to cater for Muslim shoppers who frequent the store



Printer cartridges for those working home



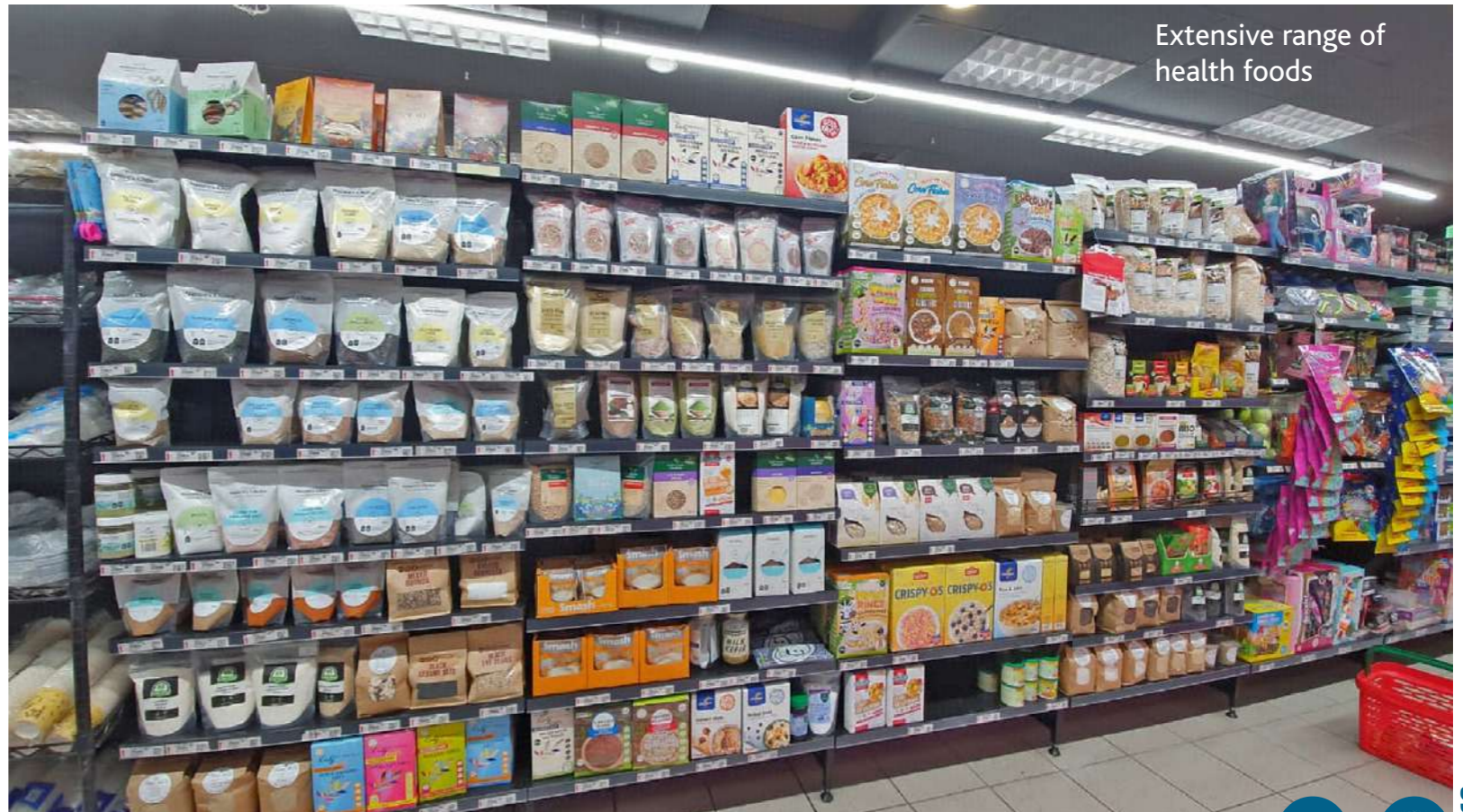
Blue Skies vegan ice cream



CBD infused products available in store



Wide range of speciality drinks available in store



Extensive range of health foods



Save Energy Save Money

Our Hybrid Sub-cooling System is the most cost effective and efficient energy system for supermarkets in South Africa

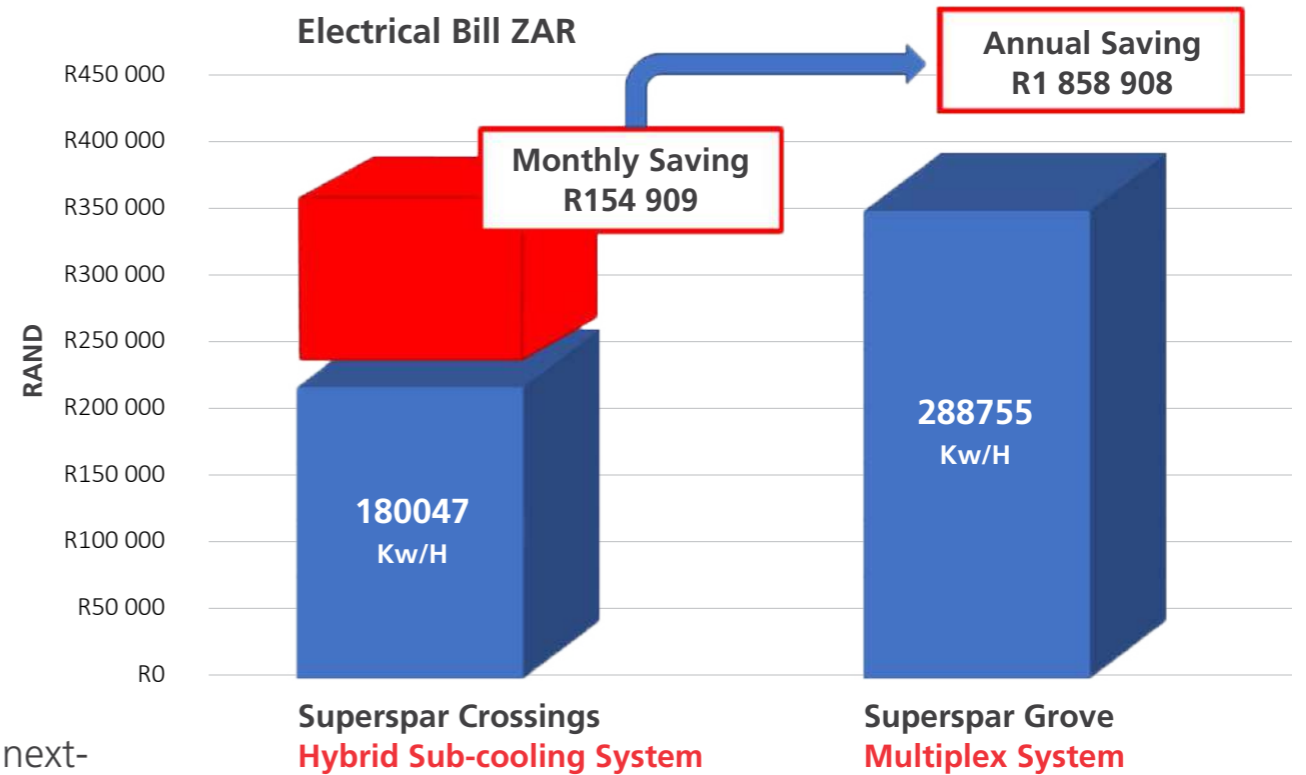
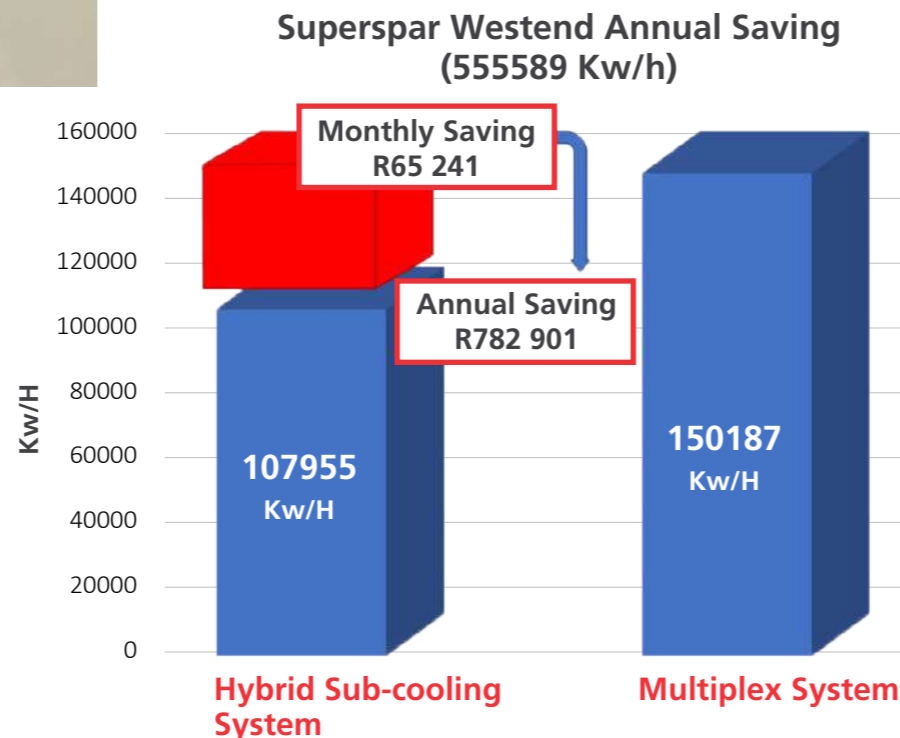


High-tech refrigeration systems, with features like multiplex compressor racks and electronic expansion valves, save many South African retailers millions of Rands annually.

Now, with breakthrough technology, we have dramatically increased that cooling efficiency even further.

Our new Hybrid Sub-cooling next-generation technology will give you a **minimum of 30% reduction** on your total electricity bill – **guaranteed!**

And the **extra saving can be as high as 41%** when the refrigeration and air con systems are integrated under our new Hybrid Plus Sub-cooling technology.



Save 30%–41% on electricity consumption with our next generation Hybrid refrigeration system

We specialise in:

- REFRIGERATION ■ VENTILATION
- SOLAR PANELS ■ COLD & FREEZER ROOMS
- 24/7 SERVICE & MAINTENANCE



SOLO

Aircon & Refrigeration Services

Tel: 013 752 3400 | Piet Cell: 083 325 0599

E-mail: piet@soloair.za.net

www.soloair.co.za



Italian hypermarket in a lower income area

By Antonello Vilardi

adapted by Hippo Zourides

Once again, we bring a contribution from our Italian correspondent and another look at an adaptation to local conditions.

Previously a failed Auchan hypermarket, the site was taken over by COOP and refurbished earlier this year.

The local competition is intense, so the store has had to adopt certain strategies to remain relevant. So far, the formula appears to have succeeded.



LOCATION	
City	Reggio Calabria
Situated	Southern Italy across from Sicily
Population	200 000
Income level	Low to middle

STORE	
Brand	IperCOOP
Franchise	COOP Alleanza 3.0
Format	Hypermarket
Located in	Ninfee Shopping Centre
Size	3 000m ²
Storage area	1 700m ²
Checkouts	16
Employees	126
Trading hours	Mon-Fri 9am - 9pm
	Sat 8.30am - 9pm
	Sun 9am - 8pm

COMPETITION	
DeSPAR	Price discounting is heavy in this market
MD	
Deco	
Supermercarti Conte	
Sigma	
CONAD	
Sidis	
Lidl	
Eurospin	

The sign on the outside highlights the Master Franchising agreement with Coop Alleanza 3.0



SALES	
Annual sales	€30m (R510 million)
Average basket	€25.60 (R435)
Customer count	22 400 per week
Sunday count	2 800 = 12,5% of week
Promotions	On 10 day cycles

DEPARTMENTS	
'Open squares'	Butchery
	Fresh produce
	Delicatessen
	Sushi
	Fish market
Groceries and perishables	
Non food	Electronics
	Stationery/books
	Houseware
	DIY
	Gardening
	Outdoor furniture
	Camping
	Sports
	Luggage
	Childcare
	Clothing/textiles
	Footwear
	Services
Scratch cards	
Gift cards	



View of the large underground car park



View of the hypermarket entrance

PRODUCT MIX

No. of SKUs	30 000
Branded products	Most important
Private label (PL)	Less so
PL contribution	13%

MAIN STRATEGIES

COOP loyalty card (usage 90%)
Enhanced fresh departments
Recently refurbished
Discount prices
Regular promotions



Granarolo low fat milk 1 litre is the biggest seller in the store, having sold 100 000 Skus in one year



View of the entrance, with 16 checkouts



Tray Sealers



Burger Patty Formers



Sausage Fillers



Vacuum Packaging Machines



Mincers

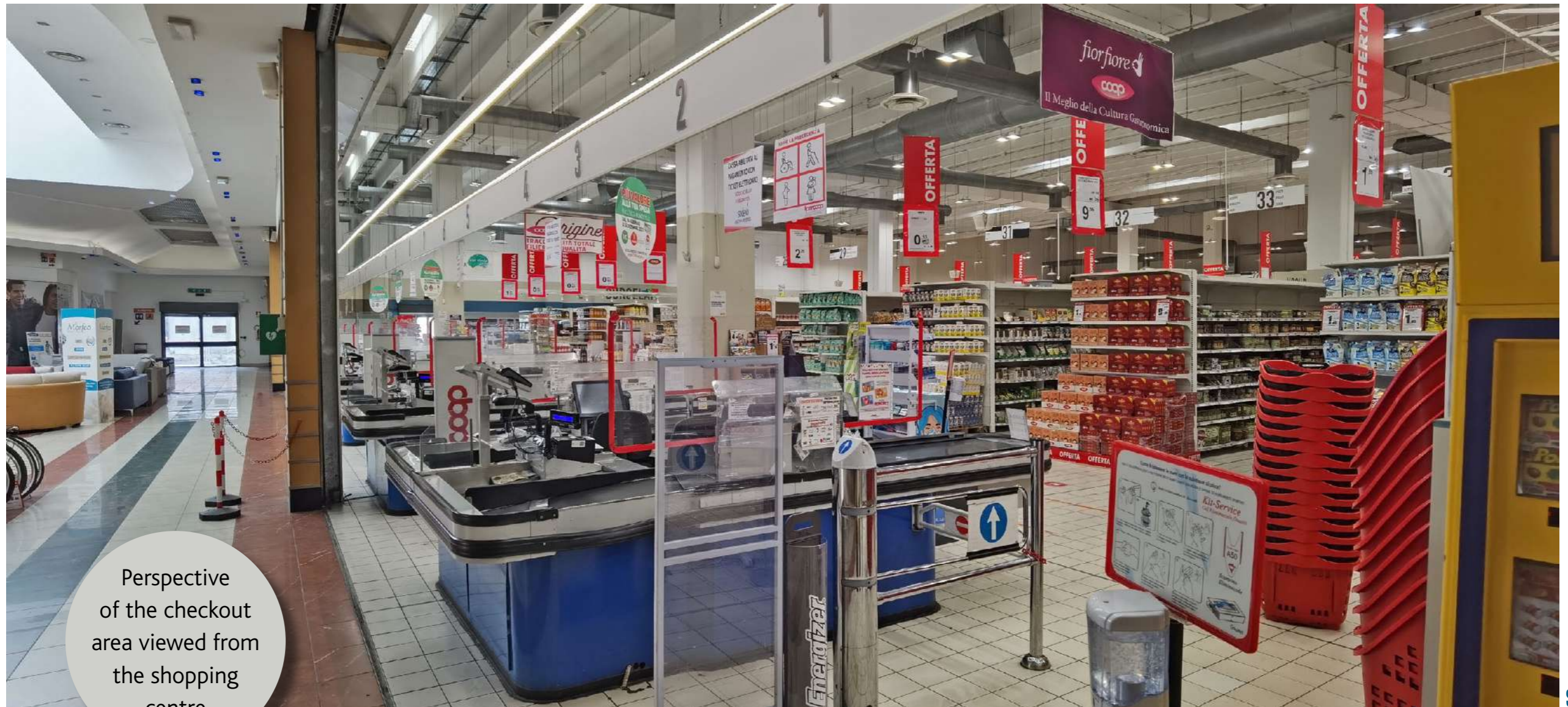


Wrapping Machines





Frozen foods display behind glass doors



Perspective of the checkout area viewed from the shopping centre



Avoid the purchase & use of sub-standard, dangerous electrical products & services.



Download your free guide from safehousesa.co.za

SAFETM
HOUSE
Suppliers you can trust



Covid-19 pandemic shifts consumer demand for dairy products



By Khathu Musingadi
Research Analyst at BMi Research

The Covid-19 pandemic has resulted both in shifts in consumer demand for dairy products as well as changed consumer purchase habits with fewer customers in-store and consumers favouring garage forecourts given their convenience. As a result, garage forecourts have adjusted their product mix to ensure a more balanced offering between immediate consumption and future consumption pack alternatives.

BMi Research reveals that the local dairy market weathered these shifts in dairy products relatively well.

“ The biggest winner in these consumer shifts was the buttermilk and maas category which recorded volume growth in 2020 compared to 2019. ”

Unfortunately, it was the only value-added dairy category which recorded volume growth during the year.



The reason for this is that both buttermilk and maas are viewed as affordable and healthy beverage alternatives, consumed with meals, to which consumers migrate during tougher economic times. This was particularly evident given that volumes of larger and more affordable pack sizes grew, with garage forecourts and bottom end retailers showing the most prominent volume growth as a result of their convenience relative to other larger outlets.

Despite the popularity of buttermilk and maas, particularly amongst middle to lower end consumers, it is expected that volumes of both products will remain fairly static this year. Inevitable price increases as a result of growing input costs are expected to lead to some degree of resistance from consumers.

Other dairy beverages were not as fortunate with volumes of drinking yoghurt, spoonable yoghurt and dairy juice blends all declining in 2020 compared to 2019 largely as a result of a depressed local economy and high levels of unemployment which resulted in consumers diverting their spend to food essentials.

Drinking yoghurt is regarded as relatively more expensive than other beverage alternatives. It's also a popular on-the-go consumption beverage. However, with Covid-19 enforced lockdowns consumers were mostly at home which was less conducive to drinking yoghurt consumption.



Although drinking yoghurt volumes declined across all channels in 2020 – in particular for smaller pack sizes – top end retailers recorded a smaller decline. It is expected that the drinking yoghurt category will see further declines before staging a recovery given the third wave of Covid-19 infections and the unrest seen in July.

Spoonable yoghurt has traditionally been positioned as a healthy alternative as well as an on-the-go meal, snack or lunchbox treat for children. This positioning, combined with increased awareness around healthy eating, has allowed this category to enjoy increased acceptance and to penetrate new consumer segments in recent years. Despite a number of innovations around flavours and the emergence of high-protein and indulgence variants, this category was not exempt from the volume decline trend.

“ The biggest declines have been in immediate consumption packs as consumers have focused more of their spend on family pack sizes that are more affordable. ”

The category is expected to recover over the medium to longer term as consumers become more active and mobile, and children return to school.

Dairy juice blends followed a similar downward volume trend in 2020, again as a result of the negative performance of the local economy which meant that consumers were more focused on purchasing essentials rather than this product,



which is perceived to be more expensive than other beverage alternatives.

Sales through wholesalers and top end retailers showed a smaller decline than other channels, arguably because these channels were open more

consistently during the lockdowns.

As consumers become increasingly more mobile in 2021 it is anticipated that this will help the dairy juice blends category to recover.

Although milk production continued despite the lockdowns imposed in response to the Covid-19 pandemic, not surprisingly, exports and sales through on consumption outlets declined in 2020.

Exports declined due to longer border crossing lead times and economic declines across most Southern African countries while enforced lockdowns constrained sales at on-consumption outlets. Excess milk was directed towards milk powders, cheese, buttermilk and maas with the result that prices of these products reduced in the second quarter of 2020. There was also a shift towards UHT milk at the expense of fresh milk.

According to a joint OECD-FAO Agricultural Outlook 2020 – 2029 report, milk supplies are forecast to

grow more rapidly than demand for milk. This is likely to put pressure on unprocessed milk prices while demand in low-income markets is expected to decline as a result of a decrease in disposable income. **SR**



has completed a new report on the effects of South Africa's liquor bans, including verified data up to end Q1, 2021 and insights and analysis of 'Where to from here?' for the local sector

The true cost of liquor bans

South Africa's latest liquor ban equated to a loss of R7.6-Billion during the four weeks it lasted (based on average sales – 13 weeks to end of May 2021 of R1.9-Billion per week). This stems from a NielsenIQ report entitled *Recovering from a Sobering Situation* which offers in-depth data and insights, against the backdrop of the local liquor sector heading into uncharted territory due to South Africa's globally unprecedented liquor bans.



“ What the study found, is that with each new wave and lockdown; immediate pre- and post-lockdown behaviour changes are merging into a pattern and people are not reverting to behaviours, and in certain cases products, that were favoured before Covid-19. The reality is a changed consumer and changed in-store shopping patterns. ”

Ged Nooy – NielsenIQ SSA Commercial Director

The report data is drawn from a variety of industries and included off-site consumption, namely grocery chains, self-service, counter service and semi-wholesalers and redistributors as well as on-site consumption at licensed taverns, local bars, and pubs. Not included were restaurants, hotels, markets, and events.

Looking back at the financial fallout of the liquor ban the report found that after the First Prohibition (June 2020) the sector was able to recover two weeks of lost sales but these gains were short-lived and rapidly declined in the weeks that followed. Consumers also carefully considered which categories to purchase in case of re-closure and spirits and wine captured 78% of incremental sales in the weeks post prohibition.

Sales after the Second Prohibition (September 2020) also initially gained ground for three weeks but in the ten weeks that followed were less than the Same Period Last Year (week ending 15 November 2020) and by the end of 2020, liquor sales were down by 36% year on year (2020 vs. 2019).

Beer takes a beating

After the end of the third ban in January this year, liquor categories performed quite differently in terms of regained sales and growth. In the first quarter of 2021, liquor grew across all categories except beer which remained under pressure, driven by a decline in on-consumption in taverns, local bars & pubs (licensed) which has resulted in less demand through the wholesalers.



Numerous factors have contributed to this including a decline in those who are buying beer in taverns. The increase in Constrained Consumers (those impacted by job and income loss) – of whom 66% are newly constrained (NielsenIQ Consumer Insights Study 2020) – has led to altered patterns and purchase behaviour to better manage their reduced spending. They have been heavily impacted by pressure on the economy and their finances/ income and they simply don't have the cash to spend in Taverns.

So, despite beer experiencing single-digit growth in March 2021, due to the absolute size of beer in the category, sales were 33% less versus the same period last year (NielsenIQ RMS 5-week sales period ending 04/04/21). At a total market level (on and off consumption) beer was therefore undeniably under pressure.

Wine & spirits fight back

On the upside, wine and spirits showed the most growth of all liquor categories and picked up in terms of sales and volume in Q1, 2021. Of this, box wine was the biggest contributor to volume. Consumers are moving to 'longer lasting' liquor options which are clearly shown by them opting for box wine, which they perceive as better value for money and at the right price point for stocking up.

Nooy comments; "This speaks to the trends we saw after the first ban where consumers were buying longer-lasting bottles. This stocking up also reduces the number of trips to shops which is a big consideration for consumers given current



“ Beer remained under pressure, driven by a decline in on-consumption in taverns, local bars & pubs (licensed) which has resulted in less demand through the wholesalers. ”

health and safety concerns. This category has also seen notable product innovation/adaptation is the introduction of 'premium boxed wines' to counter previous negative perceptions as boxed wine being a cheap option.

"During the last few weeks of the first quarter of 2021, we also saw stimulation in Flavoured Alcoholic Beverages (FABs). Interestingly, prior to Covid-19 large cans averaged 25-28% of the total category sales but they have gained in importance

and during Q1, 2021 commanded 33% of sales.

"One of the reasons for this is that people are not going out or entertaining as much. They are happy to buy 'longer lasting bottles' like quarts and box wine as there is no need to impress their guests and image is no longer so important! In line with this, the industry has also seen a dip in sales of premium gin and has moved away from the incredible growth seen in the ultra-premium gin category before Covid-19."

Insulated high-end consumers continue to spoil themselves

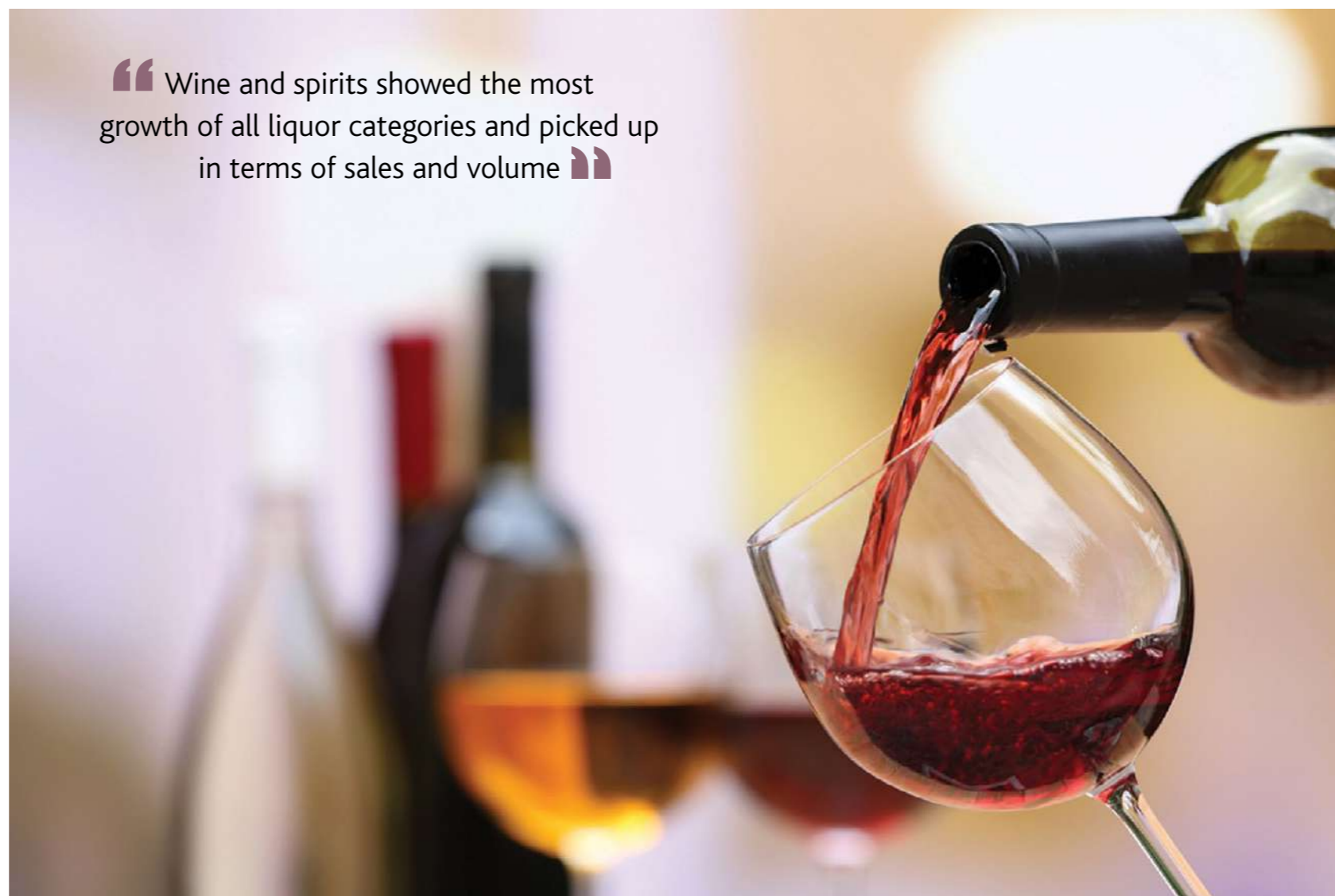
It is important to remember this segment – although they only make up 2% in this market. Insulated Consumers (those who have not been impacted by job losses and the resultant wallet squeeze) and whose spending remains fairly resilient ... they are experiencing some reset behaviours due to their altered living, working and entertaining circumstances. However, they still want to experiment and innovation and product launches still appeal to them.



“ Wine and spirits showed the most growth of all liquor categories and picked up in terms of sales and volume ”

These are the consumers who would normally travel for an overseas holiday at least once a year who appreciate high-end goods and still want to spoil themselves with expensive local holiday expensive and premium whiskey, for example.

“ The big question now is how do manufacturers and retailers reach this highly desirable segment of consumers who are still not as keen to go out? ”



This is where NielsenIQ highlights the continued rise of the omni-shopper experience using channels such as: Social media endorsements, whisky and wine clubs and innovative online shopping options, amongst the insights contained within the report. **SR**

NielsenIQ provides a complete, unbiased view of consumer behaviour. Powered by a ground-breaking consumer data platform and fueled by rich analytic capabilities, it enables bold, confident decision-making for the world's leading consumer goods companies and retailers. NielsenIQ has operations in nearly 100 markets, covering more than 90% of the world's population. Visit www.nielseniq.com.

Retail excellence ... an ever moving target

I have a strong memory from my childhood. My Dad, a retail man, was going to Disney World for work. Being eight years old, the prospect of my father hanging out with Mickey Mouse for the sake of business was beyond me. I recall Dad coming home after three weeks of being away in Florida. Being one of a triplet, the three of us sat at the foot of his bed while he told us stories of team building events, showed us shaky handcam recordings of war cry anthems being yelled by teams clothed in brightly opposing coloured t-shirts, and projected photos of work colleagues posing with the beloved Mickey outside the Epcot centre. He had magic in his eyes, the future of South Africa's retail was glittering with potential.

Many years later with dad retired and my parents moving house, the three of us kids, now young adults, were helping to sift through items that had accumulated over three decades. Mountains of memories in the form of photo albums, video cassettes and primitive nursery school scribbles prompted a nostalgic trip into the past. It was here that we revisited the same video tape of the 1997 Disney trip, a now shockingly pixelated account in comparison to the mobile phone video capabilities of today. Dad retold the story of how a top South African retailer took a team of people to Disney



World in an attempt to learn greatness from the best. The purpose of the trip, I now understood, was bigger than Mickey. Its objective was to instil a set of core values into these trainees and managers that would, in turn, re-energise the very values that drove the in-store retail shopping experience for staff and customers alike. It seemed like a magical period in the retail age, where those who could,

were able to gain the knowledge to execute the highest levels of global retail excellence right here on South African soil.

Fast forward to today, and I find myself working with top people on all sides of retail; store managers, head office executives, merchandising agencies, distributor partners and brands alike. I have much to learn, but I know the age-old elements of retail

execution in more detail now and I understand how complex it all is; inventory management, merchandising and display efforts, in-store promotional executions, broadsheet production, planogramming, ranging and customer service. These are the basics, which, if you get right, you have a good store. But is this enough to make it a great one?

Technology and pandemics aside, I so often hear from friends how a trip to the supermarket is a banal and begrudged activity. Fuelled by parking bay battles, overcrowded avocado-pokers in the fresh food section and unfriendly staff asking flatly for loyalty cards, disinterested that you, once again, left your shopping bags at home. Surely this was not the retail excellence dream of the 90's? Has the global standard of retail simmered down to the bottom line as a sole measure, rather than a strive for brand pageantry and innovation both on shelf and online? Or do profits and pomp have nothing to do with one another?

Each retailer has their own aesthetic, their own identity and their own philosophy. On the one side of the spectrum, less is more. We see this in the higher LSM retail category a lot; a regard for minimalism as a core value is key. There is no place for banners, bunting and dump bins. A well-lit and well-stocked shelf is the only thing that matters. Price is irrelevant when you are giving your customer what they want. For those on the other end of the spectrum are retail chains who believe more is more. Originating from the 'hypermarket' era of the 1970's and inspired by big-box stores

So often a trip to the supermarket is a banal and begrudged activity.



Fuelled by parking bay battles, overcrowded avocado-pokers in the fresh food section and unfriendly staff asking flatly for loyalty cards, disinterested that you, once again, left your shopping bags at home.

Surely this was not the retail excellence dream of the 90's?

in France and the US, these chains hinge their values on an immersive shopper experience. The key here is customer engagement and in order to delight shoppers in a more meaningful way, brands must flood the floor with a vast range of brand activity. This includes parking bay media, retail radio humming in the background, wet demo promoters offering shoppers a taste of new products, bunting suspended between aisles, dump bins full of delights, flashing aisle wobblers catching our line of sight and free-standing units (FSUs) piled with product at every turn. Price in this territory is king.

If both philosophies, albeit wildly opposite in

values, have a place in retail, then is retail excellence linked to what we see in a store or is retail excellence linked to how we feel in a store? And if it is linked to how we feel in the store, then surely being able to build a relationship with your local supermarket manager is more important than dump bins piled with discounted washing powder. Others would argue that the perception of greatness is in the hands of the trolley-beholder; with one LSM group appreciating the price of the soap, and the other, the soap's branding efforts.

However, irrespective of the retail group or LSM, the investments that retailers make into

their people, their stores, their suppliers and their partnerships determine greatness. A retailer with an epic loyalty campaign is better than the retailer with a poor one. A store filled with well-designed and strategically placed in-store advertising structures is better than a poorly lit store with fading bulkhead wallpaper. A retailer with strong technology partnerships, be it internal point of sale software or a scooter delivery application is better than the retailer without one. A customer manager who spends time on the shop floor is better than one who sits on the phone all day. A store manager who can help you source that exotic spice you need for a new recipe is better than a store manager you can't ever find to even ask.

“Retail is tough and retail excellence is something that is ever-changing. The people who work in retail, across all disciplines work hard. To be 'good' is not easy to achieve when there is so much to get right, 365 days a year with no reprieve.”

With so much evolving in the retail space in terms of online shopping, 60 minute delivery services, social media platforms and online content, retail greatness is an ever moving target. When we look at the global standards and the evolution of retail spaces like Amazon Go, there is still so much for South African retailers to learn. Our industry must continue to strive for global retail standards, however high the bar may be. Management must continue to travel and bring back new ideas.



Operational teams have to take risks investing in big-idea projects, like field sales platforms and artificial intelligence technology. The future isn't around the corner, it has already arrived and it is evasive, impressive, impatient and fast moving. Retailers have to get closer to their customers and give them what they want, even if shoppers don't quite know what that is yet.

Retailers cannot marinate in the lukewarm puddles of 'good enough'. They need to dive deeper and push harder to continually strive for retail

excellence. Disney was just the start of it. Times have changed but the future of South Africa's retail is glittering with potential. **SR**

Jane Sarah Rosen is Co-Founder of ConnectGroup & Head of Software at MegaVision Media. Jane specialises in FMCG and retail technology platforms. She has eight years of experience working with global brands, local retailers and agency / distributor partners, particularly on B2B field sales technology platforms. Jane also works very closely with the ConnectGroup's parent company MegaVision Media, particularly on the reporting dashboards for township branding projects.

