



08 April 2010

The retailers have been quiet, it seems, doing little but indolently relieving us of our readies over the many long weekends that infest this part of the year, curse them. The weekends, obviously. Not the retailers. Enjoy the read.

RETAILERS AND WHOLESALERS

SPAR

Beep, beep, ching, ching!

Around 35 million people in SA have a cellphone, it seems, while only 11 million of us have a bank account. And of those who have the former but not the latter, plenty want to get some of their money from point A to point B, pronto. Enter SPAR, whose Instant Money JV with Standard Bank enables people with cellphones to transfer cash between SPAR branches for cheap. The big plus for rural punters, who are more likely to be on the receiving end of these transfers, is that SPAR has such a healthy footprint in the sticks, and the banks do not. Research business Gartner believes that by 2012, cellphone banking will be in the top 10 mobile apps.

Comment: An ingenious twist on Shoprite's Money Market idea, and perhaps the first brave steps in the race to become SA's first true retailer/banker.

[Tatler Reporter 29/03/10](#)

Woolworths

And the *black* jellybeans? What about them?

Unless this is an April Fool's joke put about by the Dapper One in a rare moment of sophomore humour, jelly beans at Woolworths are set to become several tones less gaudy with the removal of Azo dyes (of which tartrazine is one) from the Woolies menu. Other kid-friendly foodstuffs from which the harmful dyes are to be removed – at the request of customers – are wine gums, cupcakes, fruit nectar squashes, and Easter eggs. Woolies has already taken tartrazine and MSG off the shelves and out of the fridges, and this latest move is another determined step on the Good Food Journey we've been hearing so much about these how many years.

Comment: C'mon, Woolies. A foot wrong, just this once.

[Tatler Reporter 31/03/10](#)

MANUFACTURERS AND SERVICE PROVIDERS

Brandhouse

16 green bottles

SAB have objected to the Advertising Standards Authority about an ad flighted by rival Brandhouse, which (gasp) alleges that their new 16-bottle crate for the 660ml Amstel bottles is about the same size as a 12-bottle crate and offers taverners better profits through greater efficiency. Brandhouse in turn has lodged an objection to a Black Label ad which implies that the bigger (750ml) Black Label quart is better than the Amstel one, and which Brandhouse views as blatantly competitive advertising. The introduction of Amstel's 660ml bottles allows Brandhouse to compete in a market in which 85% of all beer is sold in cheaper returnable bottles.

Comment: The risk for SAB, of course, is that today's discerning punter might switch to something in a tasteful green – an area where the big chap is currently under-represented.

[Business Day 31/03/10](#)

Pioneer Foods

Oh, crumbs!

While other bread price fixers are living in the tedious anonymity of a witness protection programme in Tableview, Pioneer is doing hard time, paying its R196million fine and now getting shot of five board members in an attempt to clean house. Five non execs, including chairman Boy Blanckenberg have resigned to make way for a new board under KK Combi, whose first action was to apologise unreservedly to the whole of South Africa for Pioneer's anti-competitive behaviour. He has also resolved to smooth things over with the Competition authorities – who are currently launching a new probe into price-fixing among the millers of maize – including one Pioneer Foods.

Comment: A long nightmare for what is otherwise a soundly managed business.

[Business Day 01/04/10, Fin 24 29/03/10](#)

TRADE ENVIRONMENT

Legislation

Total recall

While every retailer is busily wondering what the nameless shindig in the middle of the year is going to do for their bottom line, an 18-wheeler is thundering up the wrong side of the N3 towards them, in the shape of the Consumer Protection Act, which according to the clever chaps at insurance firm Chartis South Africa is going to spawn way more product recalls than previously, because of the wider net it casts for product liability and the fact that everyone – manufacturers, distributors and retailers – all fall under the catch-all definition of “suppliers”. The other downer is that no negligence need be proven for legal liability – a causal link between a defective product and damage is all that’s needed.

Comment: Watch out Competition Commission – the CPA is set to be the biggest legal show in town.

[Tatler Reporter 07/04/10](#)

Consumers

A rollercoaster of emotions

Ignoring Eskom’s increase and the fuel price, consumers are upbeat about their prospects as happy little spenders, with the Bureau of Economic Research (BER) reporting that consumer confidence was up to 16 index points in the first quarter of this year, up from 6 last quarter and the highest it’s been since the halcyon days of 2007. And in order to fund all the spending they’re going to be doing, they’re borrowing again – the National Credit Regulator reported that loans to consumers were up in the third quarter of 2009 for the first time since 2007. However, consumer spending is still down for now, actually dropping as a proportion of GDP to 58.9% at the end of last year, its lowest level since 1989.

Comment: And when the fuel price increase finds its way onto the shelves in around six weeks’ time, consumer confidence is likely to subside to more realistic levels.

[Business Day 01/04/10](#)

IN BRIEF

Accenture

Comings and goings

After nine years as retail evangelist at SAP Africa, Brandon Shaban is moving to Accenture to take up the position of Retail Lead for South Africa. He will be remaining within the SAP Retail & Consumer Product Eco system at Accenture, and will continue to manage the popular Retail & Consumer Product User Group forums, suggesting a drawing together of Accenture and SAP rather than a poaching of key personnel, as it were.

[Tatler Reporter 07/04/10](#)

The US

Consumageddon

Consumers in the US are spending like it’s the day before one of those big disaster movie disasters they love so much, picking up for the fifth month running in Feb and lifting hopes that consumers could add momentum to the recovery. And having been subjected to endless articles about the End of All Things American, we are now being nauseated by a wave of stories about it being a Bright New Dawn and You Ain’t Seen Nothin’ Yet. Change your medication.

[Financial Times 30/03/10](#)

TRADE INTELLIGENCE

Training & Seminars

mycustomer™

MyCustomer is a series of training programmes and executive presentations designed to provide your business with the insights you need to trade effectively in the South African consumer goods environment. The programmes look at the FMCG Environment holistically, from the macroeconomic drivers that shape consumer behaviour to the retail responses to these, including their positioning, strategy and operational execution. MyCustomer explores the areas of opportunity for co-creating value with your customers, and inspires your team to maximise these opportunities in your business and with your trading partners.

mycustomer 2.0™

An introduction to the SA Trade

Trade Intelligence plays a fundamental role in attracting, educating and inspiring industry talent with this intensive 2-day workshop for marketing and customer marketing graduates, new entrants and non-customer facing staff, providing in-depth insight into Key Customers and the environment in which they operate.

Mycustomer 2.0 provides:

- An in-depth understanding of your customers, their trading operations, market positioning and strategic focus areas.
- A clear and concise 'situation-analysis' which is key to drawing up annual account plans – “where each retailer is at today and discussion regarding where it is going tomorrow”.

FOR MORE INFORMATION ABOUT THESE COURSES, contact Michelle Caskie on (031) 303 2803 or email michelle@tradeintelligence.co.za

THE WEEKLY GURU

“There’s a fine line between character building and soul destroying.”

Colin Hay

For further information: www.tradeintelligence.co.za | info@tradeintelligence.co.za

Editorial: Nick Paul: nick@tradeintelligence.co.za

Advertising Sales: Maryla Masojada: maryla@tradeintelligence.co.za
Katia Benedetti: katia@tradeintelligence.co.za
Annomi Kriel: annomi@tradeintelligence.co.za
Michelle Caskie: michelle@tradeintelligence.co.za