



01 August 2013

Not much in the way of retailers down below after the recent flurry of interims, but big up to the suppliers who dominated the TGI Iconic Brands Survey. And big up also to the Trade Intelligence Research team who have put together a cracking report on the Independent Wholesale sector. All this and more today in your jolly old Tatler. Enjoy the read.

RETAILERS AND WHOLESALERS

Woolworths

Back in black

What? Yes, of course we're listening. All other business: depreciation of the printer/photocopier. No of course we weren't buying artichokes or chinos on our tablet from www.woolworths.co.za with its sharp new heavy-on-the-black look and its now totally comprehensive product offering. Online is a growing business for Woolies you see, doubling every year, with most punters shopping for food and household goods. Traffic to the site from smartphones is up 38%, while tablets now account for 8% of all visits. With its responsive design, the site will offer the discerning shopper exactly the same experience no matter how they access it, with something called "integrated content" enabling them to shop by category, by recipe (not in the case of clothing, obviously), or even by trend. And speaking of which, online in 2011 accounted for R2.6millions worth of spend, with the trend indicating that it would account for 2.5% of GDP by 2016.

Comment: Creating a massive opportunity for those logistics businesses willing and able to step up to the plate.

[BizCommunity 26/07/13](#)

Wholesale

Big box: the big picture

Look, we hate blowing our own trumpet ... in fact, rubbish, we are the Louis Armstrong of that worthy instrument, so here goes: if you have any interest in getting your goods into the independent trade, you need to have a gander at our Independent Wholesale report, available [here](#). In 2012, it will interest you to know, South Africa's independent wholesalers / hybrid cash & carry industry provided a combined, estimated turnover of R68billion or 2.3% of GDP. Taking exports into account, approximately 30-40% is added to that figure. When also considering the average margin added by independent retailers to wholesale sales, the independent retail market is estimated to have a value of R90-100 billion. And up till now, if you'll believe us, there has been no comprehensive, credible research into this channel. The Independent Wholesale report aims to remedy this, providing the savvy supplier with, *inter alia* a clear perspective on independent wholesale and retail channel dynamics, growth imperatives and marketing opportunities, first-hand insight into how the major players are responding to current market forces, and a practical checklist of what your top priorities in that channel should be.

Comment: Get it while it's hot – it's a fascinating and functional piece of work which will beef up your presence in a vital and growing sector.

[Tatler Reporter 31/07/13](#)

MANUFACTURERS AND SERVICE PROVIDERS

Unilever

Piping hot

Le Grand Bleu has released its first half results, and solid is the word for which you were flailing. Sales up 5.0%, with emerging markets steaming through at 10.3%. Volumes up 2.6% and prices 2.3%. Driving this performance, says CEO Mr Paul Polman, is something called a robust innovation pipeline, which is essential for a business striving to please punters in all four quarters of this economically beleaguered planet we call home. Also helping things along right now is the focus on gross margin, which ensures that the innovations are profitable, and that supply chain costs and savings are rigorously controlled. It's not all rosy though – economic recovery in the US has not meant prosperity for everyone, and accordingly sales there declined by 2%. In India, something of a flagship market for the consumer goods giant, growth was a touch slower than hoped for.

Comment: Tough times out there, even for businesses which dream big and sweat the small stuff.

[Business Day 26/07/13](#)

Iconic Brands

Brand this!

The annual TGI Iconic Brands Survey is in, and once again our great industry has shown that we are the Marilyn Monroe, the Elvis Presley, the Statue of Liberty and the Taalmonument of things the punters love. Iconic brands, according to our friends over at BizCommunity, better than whom we could not have put it, at least this time, are “ubiquitous and quintessentially South African. South Africans of all races, creed or colour, irrespective of background or living standard, use them. South Africans are committed on a daily basis to these brands... South Africans love them, are loyal to them and will even look for them when abroad”. This year’s batch, which you will note includes food in all of the top five positions and FMCG in eight out of the top ten slots, have distinguished themselves with constant reinvention while maintaining the trust of an endemically uncertain nation, no easy feat.

1. All Gold Tomato Sauce (Condiments and sauces)
2. Koo Baked Beans (Tinned food)
3. Hulett's Sugar (Sugar and sweeteners)
4. Black Cat (Spreads)
5. Coca-Cola (Non-alcoholic cold drinks)
6. Clicks ClubCard (Loyalty cards)
7. Albany (Bread)
8. MTN (Telecommunications)
9. Robertsons (Herbs and spices)
10. Dulux (Paint)

Comment: Just awesome.

[BizCommunity 23/07/13](#)

SAB

How come there's only one Competition Commission?

The Big Feller is still going toe to toe with the Competition authorities over a market dominance dispute from 2004 they have been disputing successfully on procedural grounds ever since. The complaint, you may recall, was brought by Big Daddy's, a liquor wholesaler which argued that their business did not get the same discounts as SAB's 13 appointed distributors. The Commission has proposed that all distributors get the same discount from SAB in the interests of making them more efficient. SAB argues perhaps correctly that discounts alone do not an efficient wholesaler make, and that in any case the costs of giving everyone a deal are prohibitive and, erm, anticompetitive. The Tribunal had found in SAB's favour, the Commission have appealed this successfully, so square one kind of thing.

Comment: The work of the Competition Commission is often flawed, but necessarily in creating the robust commercial environment which was denied us by the last regime and remains under threat.

[Business Day 22/07/13](#)

TRADE ENVIRONMENT

CPI

We'll huff and we'll puff

According to the amusingly combative sages over at StatsSA, currently riven by the sort of arcane disputes to which statisticians are occasionally prone, the dear old Consumer Price Index (CPI), our mostly reliable indicator of inflation, came in just under expectations at 5.5% for the month of June, after prices went up 5.6% year-on-year for May. Month-on-month, it increased 0.3% after declining by the same amount in May. The Food and Non-alcoholic Beverages Index, with which our great industry is mainly concerned, rose 6.8% year-on-year and 0.1% month-on-month, with Other Food, the category into which packaged goods substantially fall, the main contributor to the growth. Provincially speaking, the Free State, Gauteng and the Northern Cape all came in at over the index, with the rest equalling or lagging inflation.

Comment: A further lack of clarity, it would seem for people seeking to answer the question “Whither the economy?”, and another poke in the eye for the economists who as usual called it wrong.

[Tatler Reporter 31/07/13](#)

IN BRIEF

IMPERIAL Logistics

Outsourced and out of sight

IMPERIAL Logistics, in their relentless drive to make their own customers more efficient, are merging their Volition and e-Logics units in an outfit called Resolve, which will aim to take a bigger chunk of the business process and technology outsourcing market by incorporating Volition's consulting and deep functional expertise with e-Logics' technology capabilities, while leveraging the operational and managed services expertise of the rest of the group.

[Tatler Reporter 24/07/13](#)

Rooibos

The soothing cup

South Africa's favourite beverage made from twigs is in a deadly fight for its very existence – as a word, that is, in France, where the nefarious Compagnie de Trucy is seeking to trademark it for themselves, preventing South African rooibos being marketed there eponymously. The South African Rooibos Council has seen off similar threats before today; hopefully it will succeed with this one in the land of Champagne™ and Bordeaux™.

[The Guardian 25/07/13](#)

Training & Seminars

 trade intelligence

mycustomer 2.0

My Customer 2.0 gives you the practical and strategic tools you need to understand your key retail and wholesale customers, their strategic imperatives and resulting expectations of suppliers.

Key Outcomes

Delegates will emerge with:

- A thorough understanding of the SA consumer goods landscape and the socio-economic factors impacting retail performance
- Global and local shopper trends and impact on retail strategy
- An in-depth understanding of the major players, their strategic imperatives and resulting expectations of suppliers
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Programme	Date	Venue	City
My Customer 2.0	08 & 09 October 2013	Pick n Pay Institute, Fourways	Johannesburg

Costs

Early Bird Rate (booking form and payment confirmed 3 weeks before training programme) – R5,850 pp

Standard Rate – R6,650 pp

All costs are exclusive of VAT

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THE WEEKLY GURU

“I say let the world go to hell, but I should always have my tea.”

Fyodor Dostoyevsky

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