



22 April 2015

For the most coherent and moving opinion we have read on the recent xenophobic – or rather genocidal – attacks, have a look [here](#). And for a thoughtful take on their impact on the consumer goods landscape, read [this](#). And that, we hope, will be our last word on the subject. If it's something a little more hopeful you're after, have a read of our sustainability report, details in the ad below. Enjoy the read, and happy Earth Day.

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## RETAILERS AND WHOLESALERS

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### Pick n Pay Into the blue

Those Pick n Pay results then, for which you have been awaiting, breathless with anticipation, liken unto the young shepherdess for her swain upon a midsummer's eve. What? Oh, yes: turnover up a muted 6.1% to R66.9billion for the year to 1 March, with trading profit rather more pleasingly up 22.7% to R1.24billion. And trading profit margin clawing its way back from the swamp of despair, up 0.3 of a percentage point to 1.9%, although still trailing rival Shoprite by a fair chunk. Like store growth was up 3.6%, and retail space – a priority for The Big Blue this past twelvemonth – grew by 5.2%, despite the closure of 40 underperforming stores in the past two years. And, according to Chairman Ackerman the Younger, they'll invest R5million in store refurbishments and openings over the next 24 months. Pick n Pay is on a self-confessed road to recovery, with three phases – stabilising the business, changing its trajectory, and achieving sustainable long-term growth. With the return to profitability – achieving growth of 74% since FY2013 – stage 1 seems complete.

**Comment:** Admirable grit and focus there, Ackermen. Good luck with Stage 2.

Tatler Reporter 21/04/15

### Boxer Radio gaga

Boxer Superstores, which over the past difficult few years has been something of a jewel in the Pick n Pay crown, is launching a bold new ad campaign which promises to be the first of its kind in SA retail. To get its message across, "We Speak Low Prices" utilises the trusty vehicle of wireless radio, still the medium of choice for the overwhelming majority of South Africans. The campaign also features a competition, "What's the Low Price?", by which listeners are rather cleverly induced to have in their hands a copy of the latest Boxer broadsheet before they can successfully compete. And, this being 2015, and social media being cheap, the whole shebang will be rounded off with a presence on the likes of Facebook.

**Comment:** A clever, pragmatic and no doubt cost effective use of all media, from the basic leaflet on up. Go Boxer.

Tatler Reporter 21/04/15

### Choppies On a point of order...

Sometimes, it falls upon all of us to read between the lines. Like for instance, when you have been given some of the information, but not all, yet desire to elucidate your readership in this great industry we call home. And so it was with us, this week, on the news that Choppies was on the table as an item of business in the Botswanan Parliament recently. Minister of Trade and Industry, Mr Vincent Seretse, was explaining that the ownership of certain outlets rented by Choppies was subject to agreements which were "contractual, personal, private and confidential" and could thus not be disclosed, in response to what we can only surmise was a pointed query by the honourable member for Ghanzi North, Mr Noah Salake. Further, explained the Hon Seretse, Choppies made none of its own goods, as it was a retailer not a manufacturer, sourcing product from third parties both within and beyond the borders of that arid paradise.

**Comment:** Reading between the lines, then, we assume that Mr Salake has reason to believe that there is some form of relationship between Choppies on the one hand and persons in positions of influence on the other.

AllAfrica.com 13/04/15

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## MANUFACTURERS AND SERVICE PROVIDERS

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### Clover

#### The milk of human kindness

Clover, who in our ten years on the beat have never put a foot wrong, are absolutely killing it among South African consumers, if we are to believe Analytix BI, and they haven't given us a reason not to. In their "Consumers of Fresh Milk" report (gripping stuff! Ed) Analytix name Clover as SA's market leader in this category, with a near-unassailable share of 49%. They also enjoy the highest brand penetration, at 40% across all age groups, and it is these facts which in part explain Clover's healthy operating profit of R282.3million in 2014. In other Clover news, they will be listing on the Namibian Stock Exchange later this month, even as a war of words intensifies between local producers and importers of dairy products.

**Comment:** As Clover expands into other territories, it does so in the same measured, strategic way it has grown back home. And don't we wish we'd got in on the action, back in the day.

[Bizcommunity 15/04/15](#), [AllAfrica.com 16/04/15](#)

### Unilever

#### Blue is the warmest colour

Since it's a bit of a slow one on the supplier side, we're going to take it down a notch on the granularity front and give you the skinny on Unilever's results for the first quarter, rather than their more exciting interims or annuals. But hey, the quarterlies themselves were interesting enough, rising 2.8% to confound the expectations of analysts who had pegged the increase at 2.1%. Partially responsible was Easter, which came early this year, and greater buoyancy in China, which experienced a slowdown last year. At the current rate of growth, and taking currency volatility and a weaker Euro into account, full-year growth should hit the 8-9% mark.

**Comment:** The emerging markets have been kind to Unilever these past how many years. With these results, Le Grand Bleu has shown that it has the resilience to weather the hard times in these markets too.

[IOL 16/04/15](#)

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## TRADE ENVIRONMENT

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### Retail Trade Sales

#### A mendacity of economists

Whooah! Whoah. Ho. Ho. Ho. Hoah! Retail sales were up 4.2% for the otherwise dismal month of February. Leading the charge were general dealers, with their aprons, their handsome moustaches and their twinkly gold-rimmed spectacles, contributing two percentage points to the mix. Next up, retailers of hardware, paint and glass, contributing 0.7 of a percentage point. Dealers in household furniture, appliances and equipment recorded the only negative growth, while of dealers in beeswax, haberdashery and curling-irons, no mention. And some credit should be given to the dear old South African consumers, who did the actual spending. They've been a little more chipper of late, with inflation and fuel prices down, and confidence in the economy returning after a period of stable interest rates. A polling of nine economists had predicted an increase of 2.2%, and yet all of them still have their jobs, despite the fact that they were almost 100% wrong.

**Comment:** Glimmerings of hope, rumours of some fragile, halting recovery.

[Business Day 16/04/15](#)

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## IN BRIEF

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### Engen

#### Padkos

Because cholesterol is only the third worst killer on our roads after alcohol and stupidity, Engen have introduced at the their Quick Shops a premium biltong brand, Butcher's Best Biltong Bar, a range of freshly cut, high-quality, dried meat.

[Tatler Reporter 21/04/15](#)

### Comings and Goings

#### It turns out, he was only there for the beer.

New to the Tiger Board as a non-exec is a Mr Michael Ajukwu, current chair of Mobax Nigeria, 21 years in the banking sector, man and boy, and someone who knows his way around Lagos, where Tiger have, sadly, taken the odd wrong turn of late. And bailing from SABMiller after just 33 years is the legendary Tony van Kralingen, who ran the South African operation and spearheaded its global expansion. His current job as director of integrated supply and human resources will henceforward be done by two people, in a fitting testament to a great career.

[Thisdaylive 17/04/15](#) [IOL 14/04/15](#)

## THE WEEKLY GURU

“Some politicians hold that the only way to make a revolutionary safe is to give him a seat in Parliament.”

C.S. Lewis

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