



19 November 2020

Across this great industry we call home, COVID-19 has proved the greatest disruptor in living memory, accelerating trends, fast-tracking the execution of existing strategies and transforming ideas that were until recently a twinkle in the eyes of the boys and girls down in R&D into standard operating practice. Exciting times, if we survive them. Enjoy the read.

RETAILERS AND WHOLESALERS

Shoprite

Vegedary

Shoprite – to no-one's real surprise – was voted the Best Convenience and Grocery Store of the Decade in the 22nd annual Sunday Times Top Brands survey. The business has been riding high these last weeks with news of the success of its Xtra Savings rewards programme, and the new Money Market Account which makes basic banking functionalities more accessible. And perhaps more to the point, while its competitors have seen their ups and downs, Shoprite has kept an even keel, even riding out the storm of Christo Wiese's ongoing travails and the not-unrelated departure of the legendary Whitey Basson. In other Shoprite-related news, Checkers is continuing to expand its range of vegan products to cater for an increasing number of customers who are choosing to follow a plant-based or flexitarian lifestyle. New product launches in various categories supplement Checkers' already robust veggie offering, in addition to Checkers' well-known and exclusive Simple Truth and Linda McCartney ranges.

Comment: Getting the basics right while keeping the innovation flowing. That's how you do it.

[Tatler Reporter 16/11/20](#)

Pick n Pay

Um ... Black November?

Some weeks ago, you will recall, Pick n Pay let it be known that its Black Friday strategy would be to celebrate the run up to that happy day by releasing new online-only deals every couple of days from mid-November until the launch of its two-week Black Friday in-store deals, which will also be available online. Delivery of Black Friday online orders is limited to customers in the Western Cape and Gauteng for now, although the retailer has announced that it will for the first time open Click n Collect at all Hypermarkets nationwide for customers to shop 'big ticket' Black Friday deals, such as televisions and appliances, and will offer delivery on these deals to punters living within a certain radius of stores. Over the past seven months, Pick n Pay Online has reported a +200% increase in active customers.

Comment: It seems that a combination of Black Friday and COVID-19 is helping retailers achieve critical mass in their respective online offerings, which, we suppose, is some kind of a silver lining.

[Business Tech 11/11/20](#)

Informal Retail

Broadly speaking

Broadsheets, if you know the business, are one of the pillars of the informal trade – dense, inexpensively printed, circulated in high volumes among traders looking for a deal from the big corporate and independent wholesalers. And now available online, in the form of a website from Kasinomics. 'Kasi Search and Save' allows subscribers – retailers and shoppers alike – to search for specials where they may have missed a physical broadsheet or deal in store. Search fields include by brand, product, outlet, region, pack size, bulk or retail among many others. The site also allows smaller independent traders and wholesalers to share their broadsheets, opening up the brave new online world to businesses which might not have the resources to launch their own website.

Comment: Great idea, boldly executed by a legendary South African business.

[Tatler Reporter 16/11/20](#)

International Retailers

Like Uber for (insert industry here)

US-based grocery delivery service Instacart has apparently enlisted the services of Goldman Sachs for the launch of a \$30bn initial public offering (IPO). Some of those astonishing Instacart numbers: the business currently offers its online marketplace, delivery and pickup services in more than 5,500 cities across North America, reaching over 85% of US households and more than 70% of Canadian households. Since March, the company has launched or expanded with roughly 150 retailers providing delivery from more than 8,000 stores and pickup at over 1,500. And since the onset of COVID-19 it has grown its base of personal shoppers by more than 500,000 to a total of over 750,000. Across the wide Pacific, as part of its drive to consolidation, Walmart is selling its stake in Japanese retailer Seiyu to investment outfit KKR & Co and e-commerce firm Rakuten. Over in the UK, in the meantime, Sainsbury's boss Simon Roberts has asked suppliers to provide the business with ideas for driving efficiency as part of its new food-firsts strategy.

Comment: A time of changes and opportunities.

[Tatler Reporter 16/11/20](#)

MANUFACTURERS AND SERVICE PROVIDERS

Cannabis

Easy skanking

Imagine, if you will, being at the birth of the beer industry, around 12,000 years ago in the fertile crescent. Assuming stock exchanges had been invented at the same time, you'd be worth a bob or two by now. Well, now's your chance. While cannabis has been around for at least as long as beer (we're guessing) it's only now in its infancy as a formal industry, and it's not too late for you to get your slice. Sales of legal recreational cannabis (or "dagga" as it is often known locally) are likely to grow +376% over the next five years, outpacing medical marijuana and the less-intoxicating CBD products, according to Euromonitor. The legal market today is worth \$30bn annually, you do the math on that one. Medical cannabis currently has 23% of the cannabis market; this is likely to decline to 9% by 2024. Here in the Beloved Country, cannabis products may now be found across all retail formats, and while it has been decriminalised for personal use and wellness, the government has yet to legislate on comestibles.

Comment: For more on the commercial potential of the popular weed, have a look at our extensive report on the subject [here](#).

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Nestlé

Just say YES

A glimpse into the ever-more vital world of corporate social investment and BBBEE, where Nestlé is a sponsor of the Youth Employment Scheme (YES), a non-profit organization (NPO) that works with business, government and labour to build economic pathways for black youth. In just 22 months in operation, YES has created over 40,507 new work experiences with more than 1,200 private sector partners, including Nedbank, Absa, VW and Nestlé, resulting in the generation of over R2.2bn in youth salaries. For Nestlé, their involvement in YES is part of a broader strategy of job creation. "We have invested R1.6bn in job creation, skills development and community upliftment projects in the past year," says Bruno Olierhoek, Chairman and Managing Director of Nestlé East and Southern Africa Region (ESAR). "This figure included investments of R52m to support emerging black farmers through our dairy projects in the Eastern and Western Cape, as well as incremental spend of R100m on black rural development projects across the country".

Comment: Excellent work, of just the sort needed to get us out of our current predicament (see Trade Environment, below.)

IOL 12/11/20

TRADE ENVIRONMENT

The Economy

Green shoots and leaves

The quietly buoyant Minister Mboweni remains sanguine about our economic prospects, even as the treasury holds its prediction of a -8% decline in GDP for the year, and as StatsSA reports that the official unemployment rate rose 7.5 percentage points to a record high of 30.8% for the third quarter, and that manufacturing declined -2.6% YoY in September. "Already, we can see some green shoots in parts of the economy – in manufacturing, in mining, in wholesale and retail trade," remarked the irrepressible Minister M, speaking at the approval of his Medium-Term Budget in parliament last week. "Agriculture obviously stays afloat. We can (also) see evidence of green shoots in transport and logistics and other activities, so if we continue along the path of driving through our reconstruction and recovery programme, we stand a good chance of a bounce-back in 2021, which is good news," he continued. He is, however, concerned about the government's funding gap caused by the revenue shortfall he said was now around R322bn. "If we don't do anything about fiscal consolidation, we run the real risk that we are going to face a debt to GDP ratio of over 100% in the next three to four years," he warned.

Comment: The minister's confidence may prove to be well-placed. We certainly hope so.

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THE WEEKLY GURU

"We shall, by and by, want a world of hemp more for our own consumption."

John Adams (2nd President of the United States)

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