14 July 2022

Innovations from SPAR, hopes of a turnaround from Game, L'Oréal makes a strong play in the Nigerian market, and the National Planning Commission (NPC) gives us cause to hope that there may one day be an end to load shedding and the meaningful participation in the power generation sector of our innovative and enterprising private businesses. Enjoy the read.

# **Your Numbers This Week**

**300%** 

growth in *Makro's* specialist 'load shedding' category

YOY *growth* for Game's baby category

R<sub>1</sub>bn

in *rewards* earned by Capitec's 7.2m loyalty members

75-80%

reduction in replenishment times using retail-ready packaging

new *organic* **SKUs** for Carrefour

100MW

current ceiling on distributed *generation* projects

# **RETAILERS AND WHOLESALERS**

#### **SPAR**

# Local knowledge

Some in-store changes coming your way at SPAR, looking to freshen things up a bit and keep it exciting. First up: the replacement of deli counters and home meal replacements with the catch-all 'Food Stall' concept, described by Group Home Meal Replacement Manager Pianca Meintjies, thus: "The Food Stall at SPAR offers a unique experience at every store, but in essence, it's a range of freshly prepared, tasty and convenient foods." These will include local specialities and such staples as pies, chicken and pizza, with a view to going hard after the traditional takeaway business. Next: more environmentally friendly food packaging for the range. Finally, the accelerated rollout of its home delivery option, SPAR2U, which will cover both groceries and liquor. Member stores are apparently champing at the bit for this development, as other retailers ramp up their service. "Our online platform is receiving positive reviews and a large number of stores are preparing to launch online within their communities in the coming months," says SPAR.

Comment: A bit of innovation, some sustainability, and a no-brainer, in that order. SPAR needs to step up its rollout of home delivery in a crowded market, trading on the local knowledge of its individual owners to differentiate the offering. Tatler Reporter 07/07/22

#### **Massmart**

## Power to the People

Massmart flagship Makro has been doing a roaring trade this past month in items you might need should, we don't know, the national grid go on the fritz? Such lines include generators, inverters, gas cooking tops, cylinders, rechargeable globes and lanterns. "Year-on-year sales for alternate power related categories have gone up by over +300%," observes DIY Merchandise Manager Gary Lindhorst, affecting bemusement. The business will soon be offering punters fully installed solar solutions, as South Africa's de facto privatisation of micro-generation ramps up. In other Massmart news, the Group avers that its Game refurb, which we reported on last week, is showing evidence of effecting the hoped-for turnaround. One of the big successes has been the expansion of the baby category, to which 300 items have been added in some stores, which in turn reported a growth of +37%. And speaking of growth, the retailer has seen YOY online growth of +164% between April and May.

Comment: Sufficient cover against the arrival of Amazon? Time – and not too much of it – should tell. Tatler Reporter 07/07/22

# In Brief

#### **Power moves**

Capitec's Live Better rewards programme is set to save its customers R1bn by the end of the year – significant, as it is run in partnership with Dis-Chem and its Baby City spinoff, where 2% cash-back benefits may be earned by any of 7.2million loyal Capitec customers. Another arrow in the already impressively loaded Dis-Chem quiver. Moving on, we mentioned a couple weeks back that Woolies would be rolling out a fleet of battery powered electric delivery vehicles. Where is that power to come from, we heard you ask. Over to you, Woolworths' Head of Online and Mobile Liz Hillock. "We will work closely with DSV and Everlectric to plan, position and negotiate the installation of ... charging stations to leverage off existing renewable or solar installations co-located at the selected malls or retail locations."

Comment: In other words, reading between the lines, not from dirty coal-fired plants, where possible. Nice one.

Tatler Reporter 11/07/22

# **International Retailers**

#### Vive les fruits!

Upping the *je ne sais quoi* factor of the mix in its French supermarkets this week is **Carrefour**, which has announced no fewer than 11 new organic SKUs, including organic spelt flour and organic white haricot beans from Ekibio, organic strawberries from Bio Pays, apricots, nectarines, and peaches from Fauriel Fruits, and organic potatoes from Ferme de la Motte. We thought you would like to know, *n'est-ce pas*? In the UK, in the meantime, online delivery outfit **Ocado** has been slammed as "clueless" in the labelling of each and every food product it dispenses with a 'use by' date – which covers issues of food safety – rather than a 'best-before' date, which refers to quality. The blanket use of the former results in massive food waste, an issue Ocado itself professes to take seriously. Also taking flak this week in that perennially grumpy archipelago is **Aldi**, which by adding such measures as black wraparound security tags for cheese and video-game style security boxes for steak has been accused of treating every shopper like a shoplifter.

**Comment:** Who says you can't have both a police state and a nanny state? British retailers are testing a hybrid model. Tatler Reporter 11/07/22

#### MANUFACTURERS AND SERVICE PROVIDERS

### **CHEP**

#### Ready, willing and able

According to our friends over at CHEP, the store of the future will be required to move high-fat, -salt and -sugar (HFSS) products away from checkout lines and back into the aisles as shopper health and wellness concerns mount. It will have to concern itself with issues of sustainability and environmental impact, particularly the reduction of unnecessary packaging, and -post COVID, increased health and hygiene awareness will also mean an increased focus on minimising touchpoints. Fortunately, there is a solution which addresses all of these challenges: Retail-Ready Packaging (RRP), a supply-chain innovation that allows products to be moved from factory floor on a single pallet either directly onto the shelf, into an aisle, or as a freestanding unit. It also offers great efficiency benefits. "From our European experience and confirmed by local trials done in South Africa, we have seen retail customers cut replenishment time by 75-80% and boosted off promotion sales up to 8% by using RRP," says In-Store Solutions Lead for Sub-Saharan Africa, Conor Powell.

**Comment:** For more on how CHEP will use this solution to drive efficiency, sustainability, and collaboration between retailers and suppliers, ready the story here or watch the video here.

Tatler Reporter 11/07/22

## L'Oréal

#### A growing market

Not much going on with our local suppliers this week, it seems, so north to Nigeria, where L'Oréal has launched a range of ten products designed specifically for natural hair textures. The 'Curl Expression' range has been developed in response to a major increase in the number of people embracing their natural hair and need high-grade professional care to achieve their full expression. The products are absolutely brimming with ingredients that answer the specific needs of natural hair, including urea h, glycerin & hibiscus seed, and were co-developed with curl experts from South Africa, Brazil, France and the USA. Says Tresor Mpasa-Engwanda, Marketing Director for International Haircare LPP "The Nigerian market is one of the largest in the world and we believe it is important to reiterate our commitment to this space. We know that stylists want the best products, tools, and skills to serve their natural-haired clients and that more clients are craving professional natural hair care."

Comment: Can a launch down here in Mzansi be far behind? It's a market with potential for limitless growth, if you'll excuse us.

Tatler Reporter 11/07/22

# In Brief

# Yes chef!

To the ringing plains of the Free State, where our friends at **RCL FOODS** have launched the RCL FOODS Young Chefs Challenge and the RCL FOODS Young Bakers Challenge, in partnership with the South African Chefs Association and the South African Bakers Association, offering teams from culinary institute talent in South Africa the opportunity to kick-start their careers and win prizes of up to R30,000 per team. Other regional competitions will follow in Gauteng, KwaZulu-Natal, the Western Cape, and Limpopo. Also in news of the worthy, this month sees the launch of the fifth edition of the **#PlasticFreeMzansi** campaign, run in partnership between The Beach Co-op and media platform Twyg, design outfit Biru Experiments and **Coca-Cola Peninsula Beverages**. "We are working together on a considered campaign of caring for the environment and for people. Using storytelling, design experiments, and immersive environmental experiences we intend to influence climate-positive behaviour change," says Twyg co-founder Jackie May.

**Comment:** Of all the massive environmental challenges we face, plastic waste seems to be one with the clearest roadmap to a solution, and no shortage of willing and influential advocates.

Tatler Reporter 11/07/22

## TRADE ENVIRONMENT

# **Power generation**

### A glimmer of light

In a sign that someone at the top has realised you cannot run a modern country and a growing economy on less than eight hours of electricity in a working day, the National Planning Commission (NPC) has said that the declaration of an energy emergency could help get rid of the red tape that entangles any prospects for new generation capacity. "The most immediate priority is to ensure that new generation capacity is rapidly and urgently brought on to the grid, together with significant new storage capacity. Evidence suggests it is possible to do this within 24 months if 10,000MW of new generation capacity is rapidly constructed and commissioned as well as 5,000MW of storage capacity. Solar and wind power projects can be built rapidly within two to three years," the NPC said on Wednesday. The Commission has called for the scrapping of the 100MW ceiling on distributed generation projects and the relaxation or suspension of the many regulations and requirements of anyone wishing to supply energy to the national grid.

**Comment:** This is good news. It may signal not just the beginning of the end of our energy woes, but perhaps even the prospect of an entirely new economic order.

Business Day 06/07/22

### THE WEEKLY GURU

"But soft! What light through yonder window breaks?"

William Shakespeare

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