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**Savour some  
sweet satisfaction in  
Snacks & Treats**

**Aki Kalliatakis navigates  
the future of retail**

**Study shows that  
Gin is more popular  
than Beer!**

**An in-store bakery  
provides a sensory extravaganza  
of sight, smell, and taste**



## FEATURES

### Bakery feature



Ann Baker-Keulemans writes that an in-store bakery provides shoppers with a sensory extravaganza, tempting them by sight, smell, and taste. As a destination point, for many consumers

looking for household staples like sliced bread and soft rolls, a well-designed bakery is perfectly positioned to drive impulse buys and cross promotions.

### Snacks & treats

Almost a year and a half of working and schooling from home made a significant impact on how we consume certain foods and beverages – and the snack, both sweet and savoury, rose to the occasion.

It also saw the rise of health-conscious consumers looking for reduced sugar and low-fat snacks.

Image courtesy of Anna Guerrero, Pexels

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Image: Cottonbro, Pexels

### Delight your customers

Aki Kalliatakis navigates the future of retail. He says customers, initially patient and forgiving of poor shopping experiences, have started rebelling – and their patience is now almost non-existent.

It's time to get the basics of service right.

## NEWS

### Alcohol survey

With no less than four prohibitions since March last year, and numerous periods of restricted trading, our booze ban woes dominated conversations and regularly made national – even sometimes, global headlines. A new study shows that Gin is now more popular than beer!

### Retail trends

Alisdair Sinclair looks at 2022 retail trends to see what this year's trolley holds. Driven mainly by

lockdown restrictions, people now do bigger, quicker and more infrequent shops closer to home. More people are using mobile apps and online platforms to have their groceries delivered directly to their doors.

Image: Karolina Grabowska, Pexels



### Retail predictions trend for Africa

Covid-19 reshaped the consumer goods market across sub-Saharan Africa. Retailers need to stay ahead of the turn and adopt an evolving mindset to strategize and execute to grow business.

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# Cautiously entering 2022



Helen Maister

**W**e quietly and cautiously enter 2022. There are no loud proclamations of the 'best year ever'. We brace ourselves, hold our breath, and wondering what this year will bring.

In this issue, we have curated a number of trend analyses in a pertinent retail sectors.

The aim is to arm the retail reader with as much knowledge as possible. Forearmed is forewarned. We have been through some tumultuous times, which can be greatly rewarding if you are agile enough to take advantage of emerging consumer trends.

The past two years have hit the consumer hard. Add to that, the increase in fuel and the imminent increase in electricity will put even more pressure on the average consumer. This will no doubt make the consumer even more price sensitive. Shopping apps are making price comparisons easier, so the consumer doesn't have to travel to compare prices from store to store. So what can the retailer do to drive sales in-store? This year we will dedicate ourselves, at *Supermarket & Retailer*, to bring the reader the latest research and trends in every aspect of the retail industry.



Image courtesy of Anastasia Shuraeva, Pexels

Bakery and Snacks & Treats are on the menu for January 2022. The rise of the snack was an unintended consequence of extended lockdown. Almost a year and a half of working and schooling from home made a significant impact on how we consume certain foods and beverages and the snack, both sweet and savoury, rose to the occasion.

The pandemic also saw the rise of a newly health-conscious consumer looking for reduced sugar and low-fat snacks that complement their wellness goals. Savvy producers and manufacturers are embracing this trend globally and in South Africa.

An in-store bakery provides shoppers with a sensory extravaganza, tempting them by sight, smell, and taste. A destination point within the store for many consumers looking for household staples like sliced bread and soft rolls, a well-designed bakery is perfectly positioned to drive impulse buys and cross promotions. An amazing array of baked goods is a visual feast, endearing shoppers to your store and letting them feel the love through delicious treats.

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# Navigating the future of retail

Aki Kalliatakis

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In this series of Supermarket & Retailer's articles, we share stories of what some organisations and managers have done to motivate and inspire their teams. We give you practical ideas of what you can do to create the most amazing, customer-driven company in the world.

**T**umultuous is a good way to portray the state of the business world recently. If you are anything like me, you can hardly even keep up with new social platforms (Twitch or Clubhouse, anyone?) and new terminology: NFTs, blockchain, the Metaverse, cryptocurrencies, omnichannel, 4IR, WFH, doomscrolling, intermittent supply chain risks ... and that's without the hundreds of abbreviations used while texting.

Changes we've seen in the retail ecosystem include the drive to online shopping and various hybrid shopping-models (even as customers have become savvier at finding the best deals) and more demand for greater value, delightful experiences and service, personalisation and customisation. The incentive to be flexible and innovative has been compelling – and you

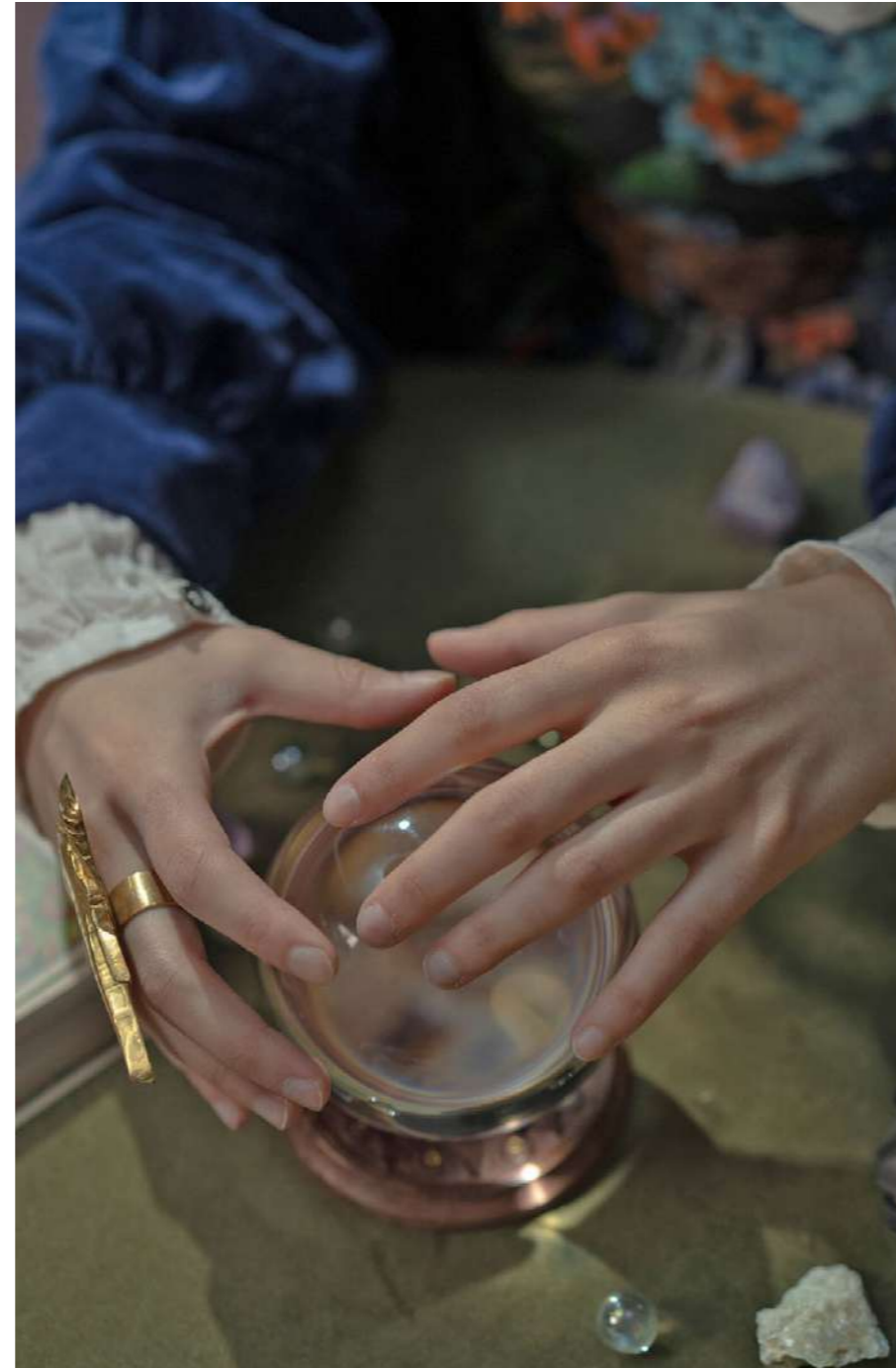


Image courtesy of: Cottonbro, Pexels

have no doubt been affected by new internal processes and systems as your company adapts.

Customers, initially patient and forgiving of poor shopping experiences, have started rebelling – and their patience is now almost non-existent. Covid is not an excuse for bad service.

“ Not getting the basics of service right is unforgiveable. It was bad even before the lockdowns, but for customers bombarded with terrifying bad news and bad experiences, tolerance is down to zero. ”

This is made worse because there have been many organisations that have stepped up to the plate, going above and beyond for their customers, and staying true to their customer promise. They have therefore increased customer expectations – and make the rest of their rivals look bad.

What will win customer loyalty back? Getting the basics right is non-negotiable in the loyalty stakes or you will end up losing customers. But get this right, treat them as special guests, constantly add value (tangible or intangible)





# We see

access to fresh food being the global norm rather than the exception.

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and go further to make experiences warm, personal, empathetic, easier, frictionless and memorable – and your customers will in return spend more in your business. It also makes them less price-sensitive, willing to try new additional products and services, and share this with family and friends.

So, what happens now? Will 2022 be more of the same? I love maths and science because it is logical and rational – and tells us exactly where we are.

“ But predicting the future of business is a big conundrum.

First, predictions are inaccurate, dangerous and crazy at best and, second, human beings are far from logical and rational.

How can you practically deal with these problems? My predictions for the coming year demonstrate the buoyancy of the retail industry, and how you will rise to meet this with ground-breaking solutions of high complexity. ”

Experts far cleverer than me have predicted a number of important issues you will need to enhance or create ...

- The recent months since a rather gloomy Black Friday have shown that in-store shopping has reduced dramatically, but there was also a change in online shopping. Supply chain issues played a role, compounded by the policy of most retailers to not order stock which will be left unsold and then heavily discounted later. Some retailers



Image courtesy of: Ola Dapo, Pexels

report that shopping peaks are flatter and more elongated. I will never forget the disappointment a few years ago when I ordered a Furby for my child as a Christmas present, only to be told three days before Christmas that there would be no delivery. It created too much stress, and the lesson was “start earlier – and have a backup plan.”

- Automation and AI have made it easier to give customers better and easier online and hybrid shopping experiences, from the moment they get onto an app to place an order and throughout

the journey to final delivery or pick-up. For example, when a customer wants to place an order, knowing whether the product is available helps a lot. When they are also able to track the process or status of a purchase, it gives them more peace of mind and reduces uncertainty. It’s also nice to know that there is a ‘premium deliver’ process if their order is urgent, or if they don’t want to stand in queues. As a result, the chemistry of online/offline shopping will continue to progress. Retailers should be less concerned where the transaction begins – as long as it’s convenient for the customer.

- But improved ways of collecting and using customer information will also separate the weak from the strong. At it’s most powerful, a customer information system that knows more about their personal preferences will allow you to predict their intent, influence their purchases – and create even more loyalty. When you know them better, it’s comforting for them to know they won’t need to start their search from scratch every time. A great example is Singapore Airlines, who not only know where you like to sit and what you like to drink, but also what you do for a living. Another example is the text reminder I get every month from my discount pharmacy chain with an option to order my chronic medicine and pick it up when it’s convenient.

- Clearly, the traditional advertising and promotional strategies that have been so successful in the past no longer work. But even now, as we move to social media. it and other technologies

to reach customers have come under fire. Governments, Google and Apple created havoc for marketers when they announced changes to direct marketing, protection of personal information, cookies and other technologies that ambush customers where they least expect it. We can currently track users across the web and their devices and produce third-party data that is used to target consumers. These will soon be anachronisms and the only solution is to own your customers ... retailers who spotlight their own sources from the whole customer data journey via their POS, CRM, apps and more will be best positioned.

- Finally, the more technologically adept we become in future, the more important it is to create human experiences. Digital transformation is unstoppable and inescapable. In some industries, half of all customer transactions are digital. While it's true that younger customers are digitally driven and desire innovation, there is a big health warning – companies may be scrambling too hard to automate products, services and processes. As Forrester put it, "Customers are suffering from digital saturation."

“ Now, more than ever before, customers want warm human interaction and empathetic reassurance. They want to be appreciated and thanked for choosing your business over thousands of others. ”

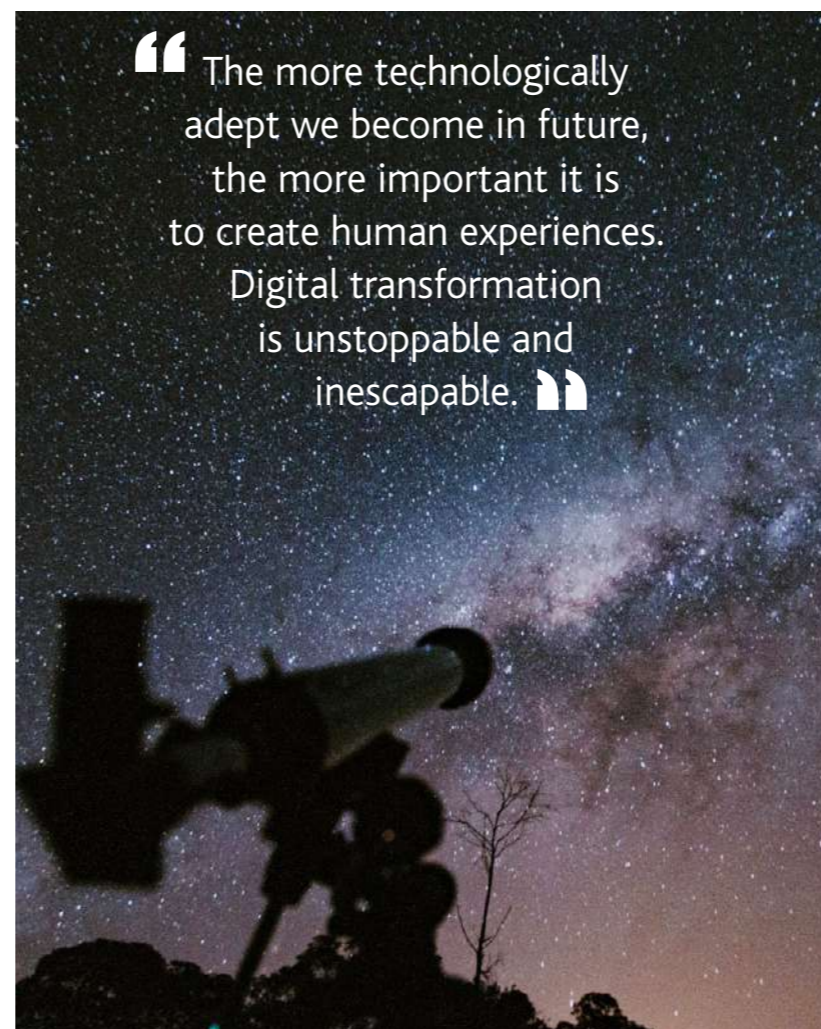


Image courtesy of: Lucas Pezeta, Pexels

They want to be remembered, be seen as individuals, not account numbers and need you to understand their point of view and their experience with your business. This is quite an intimate connection and needs to be repeated thousands of times a day. Salesforce announced that while 68% of customers expect brands to show empathy just 37% receive it. In the same way we now operate with hybrid offline/online experiences, customers will seek meaningful interactions driven by digital – but fuelled by kindness.

So perhaps it is better to ask this question: What will probably NOT change when it comes to customer experience? I think Jeff Bezos summed it all up so nicely when he said, "In our business, we know that customers want low prices and I know that's going to be true 10 years from now. They want fast delivery; they want vast selection. It's impossible to imagine a future 10 years from now where a customer comes up and says ... "



Photo: Getty Images

“ 'Jeff I love Amazon; I just wish the prices were a little higher,' or 'I love Amazon; I just wish you'd deliver a little more slowly.' Impossible.

And so the energy we put into it today will still be paying off dividends for our customers 10 years from now. When you have something that you know is true, even over the long term, you can afford to put a lot of energy into it. ”

SR



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# What you need to know about nutritional profiling

To consumers, a label on a food product is nothing but a guide to help them make purchasing choices. But to manufacturers of foodstuffs, the labels are much more than that. Labels on food products contain the nutritional profiling of the item. And, acquiring the correct information for these labels is a large responsibility. This is because it is legally required, and because it is there to protect consumers.

## What is nutritional profiling?

The World Health Organisation (WHO) defines nutritional profiling as the science of grouping or grading foodstuffs in relation to the nutrients that they hold. The purpose of this is to encourage healthier eating habits, and to mitigate foodborne disease.

Organisations like the WHO have also placed an emphasis on nutritional labelling as a part of global efforts to reduce non-communicable diseases like hypertension.

To describe it differently, nutritional profiling is the process of analysing the food items that you produce to determine its nutritional contents. After this process is complete, manufacturers can use the information to create labels for their products.

The South African government, in their regulations relating to the labelling and advertising of food stuffs (like the Foodstuffs, Cosmetics,



and Disinfectants Act (Act 54 of 1972), extensively lays out what information you need to present on these labels.

## How is it done?

In short, nutritional profiling is done in a chemistry laboratory, by an accredited and reputable food testing facility. But what happens in the lab?

After you provide the scientists with samples of your product, they analyse it using specialised equipment, like chromatographic and mass spectrometric instruments. Through their analysis, they can give you an overview of both the physical and chemical characteristics of your products.

At the end of the process you'll have a full nutritional profile of your product.

## Why should you do nutritional profiling?

If you're in the business of producing food or feed, you are likely required by the law to have food labels. And if you need food labels, then you need nutritional profiling.

When your samples are sent to the lab, you can select to have your products analysed for the regular factors like nutritional composition of the item. But you can also select to test for harmful components, example: heavy metals and trans fats.

With chemistry lab testing and nutritional profiling, you can avoid unnecessary expenses, legal claims, and damage to reputation.

On top of this, we must remember that part of the reason for nutritional profiling is promoting good health. By doing nutritional profiling, you can help people make better food choices and contribute to overall public health.

## In conclusion

To retain consumer trust and a good brand reputation, you must ensure that your products have undergone thorough testing and nutritional profiling. You can get this done easily, by sending your products to a chemistry lab.

What makes this even better is that this can be a two-in-one activity. You can ensure your food is free of harmful components, and meets food quality compliance standards. **SR**



# Just roll with it

An in-store bakery provides shoppers with a sensory extravaganza, tempting them by sight, smell, and taste. A destination point within the store for many consumers looking for household staples like sliced bread and soft rolls, a well-designed bakery is perfectly positioned to drive impulse buys and cross promotions.

“An amazing array of baked goods is a visual feast, endearing shoppers to your store and letting them feel the love through delicious treats.”

## Changing spaces: bakery technology

However, achieving this is not an easy task. There is always pressure to stay abreast of technological developments as seen in <https://in-confectionery.com>. This includes product technology, equipment technology, monitoring systems, processing techniques, mixing, forming, and baking techniques, production, and supply chain), whilst in South Africa there is the added challenge of managing their energy requirements in the face of rising costs and uncertain supply.

## Healthy baked goods

At the same time the consumer space has changed, leading certain retailers to relook their bakery



Artisanal breads are still very much in demand. Tribeca Oven's analysis of data from research and analytics company IRI shows that sourdough has become almost a standard line now, while flavoured breads, including olive, bagel-inspired and jalapeno saw a 19% growth in the US from November 2020 to October 2021. Breads with sweet additions like raisins and cranberries had an 11% growth in the same period, while sourdough with added flavours is expected to become a rising trend. Irish Soda bread also saw an average volume growth of 10%. Focaccia gained the most traction in the period, reaching a 49% growth in average volume sales.

offerings. A surge in health consciousness and shoppers looking for foods that promote gut health and boost immunity, as well as the continued interest in speciality diets such as gluten free, vegan, and lactose or egg free, has necessitated an increase in this type of product.

in-store baking industry. He explains how, to make their equipment more energy efficient, Macadams introduced the option of a 'Smart Controller' for their range of Rack, Deck, and Convection ovens. The smart controller incorporates features such as a low temperature idle when the oven is not

## Bakery equipment maintenance and repairs

For many stores, the in-store bakery is one of the largest consumers of electricity in the whole business. With ovens, provers, mixers, warming racks, display cases, and refrigeration units in play, energy efficiency is vital. Old or ill-maintained equipment could be adding significantly to the electricity bill, and load shedding can play absolute havoc with the production process.

John Reilly, MD – South African Sales at Macadams, is well aware of the energy challenges facing the





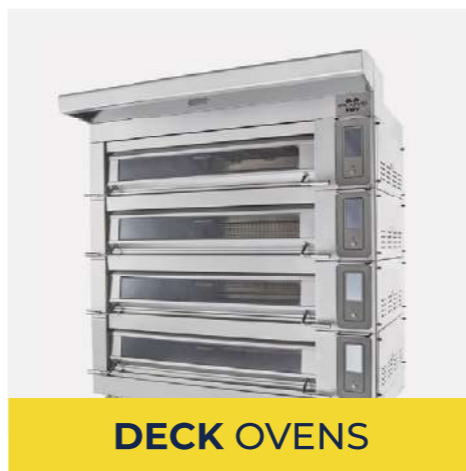
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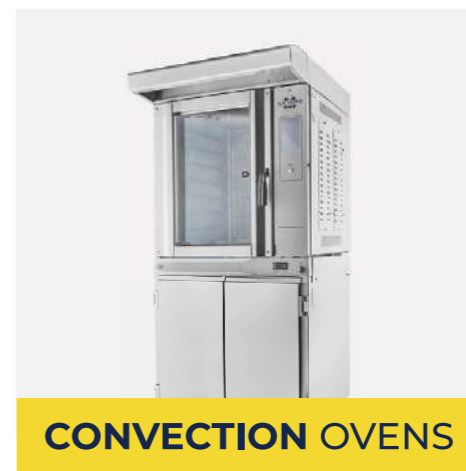
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in use, an open-door alarm to alert the operator if the door is left open, and pre-set baking programmes to allow for consistent operation. Reilly says ...

“Your service provider should also understand the local market and have the ability to tailor a bespoke solution tailored to your specific needs”

“They should have the infrastructure to provide ongoing support, properly trained technicians, effective communication channels (such as the call centre Macadams provides for their clients) and a spares stockholding that can help mitigate costly delays when engaging in essential repairs and maintenance.”

“Proper preventative maintenance is vital to keeping your existing equipment running optimally. Even small inefficiencies can cost you money over time and neglecting your equipment can lead to delays caused by breakdowns and repair time.”

If possible, upgrading old equipment is the best way to achieve energy efficiencies and cost savings.

Despite Covid restrictions making the past two years less than ideal for R&D, there have still been developments. For example, Macadams has launched several new products over the past 24 months, including a range of latest technology bake-off ovens and combi-steamers.



### Par-baked, bake-off and artisanal baked goods

Although the trend for par-baked and bake-off products remains strong, pandemic-inspired nostalgia has brought home-made, handmade, and artisanal goods back into focus.

The post-pandemic consumer also knows a thing or two about sourdough, and you better believe they expect their local bakery to surpass their own lockdown creations.

Bake-off products do have several practical benefits for in-store bakeries. When using bake-off products, Reilly explains, there is less wastage

because you bake often, but use only what you need when you need it. These products also use less manpower, floor space and capital outlay, and take up less storage space depending on the frequency of delivery.

For stores considering a move towards more bake-off products, ensure you have a service provider that has the knowledge to lay out your bakery based on your store and customers' individual needs, says Reilly. “While we are seeing a big drive towards bake-off it appears to be very much area or LSM driven. We still see a huge

demand for the traditional 'hot baked loaf' in many areas, as a result we have a mix of bake-off and full scratch bakeries in our customer base. We are also seeing a trend towards more plant-type bakeries providing pre-packed goods to the retail sector."

An analysis of post-lockdown trends suggests many consumers are showing a growing interest in international bakes of both the sweet and savoury persuasion, while also embracing stronger, bolder flavours.

According to [www.snackandbakery.com](http://www.snackandbakery.com), '2022 is going to be spicy. Flavours like Buffalo, Mango Habanero, Chili Raspberry, Mexican Hot Chocolate, Cardamom, Allspice will bring a new twist to pies, cookies, and pastries. BBQ, Olive-Pesto, Onion & Cheese, Chili-Garlic will also be some of the top picks.' This opens the door to a wider range of bake-off products, and further cross-promotional potential as consumers attempt to recreate international dishes at home.

**Quality and taste: baked goods must deliver**

The rise of at-home entertaining combined with the pressures of a re-emerging workforce in South Africa means home cooks looking for international breads, speciality desserts, and special occasion bakes are once again turning to their local bakery for a quick and convenient solution – but taste and quality are key.

Extravagant cakes with intriguing flavours and showstopper decorations are making an appearance in in-store bakeries, along with novelty meringues, biscuits, and slices. Comfort foods such as scones,



Cronuts are an innovative combination of croissant and doughnut, with layers of flaky, buttery dough dipped in sugar, fried like a doughnut and either glazed with a traditional doughnut topping or filled with cream. They've been around a while but are still very popular. Xando coffee shop in Joburg even makes a cronut milkshake, showing how trends can expand from one product to another.

**The evolution of baked goods packaging**

Sustainable packaging with reduced environmental impact may seem like a niche trend, but it is gaining momentum globally, and where Europe and the US tread, South Africa is sure to follow. Impressive strides have been made in

raisin breads, and cronuts nestled alongside some seriously spectacular Christmas bakes this festive season. Cronuts, a hybrid croissant-doughnut creation, said to have originated in New York City, have captured the imagination – and the wallets – of consumers around the world.

At the same time, gluten-free premixes are sharing shelf space with breads boasting added vitamins, reduced sugar, and healthier ingredients such as ancient grains, seeds and nuts as health-conscious consumers look for nutritious alternatives and foods with added benefits.

the look, feel, and quality of sustainable packaging, creating options that are attractive and earth-friendly at the same time.

Innovations to look out for in this area include compostable materials such as Polylactic Acid (PLA) plastics, bio plastics, and recyclable materials. However, a lack of transparency can lead to misconceptions regarding these packaging alternatives. Most notably around PLAs, which are marketed as a compostable and plant-based packaging option which break down into valuable organic material – but only in industrial compost-

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ing facilities, of which South Africa currently has none. A safer bet for stores looking to increase their sustainability and cater to more eco-conscious consumers is to use materials that are currently widely recyclable in South Africa.

According to the report titled *Biodegradable and Compostable Packaging: A review of the South African landscape*, prepared by The Moss Group on behalf of The South African Initiative to End Plastic Waste, “Bio-based, non-biodegradable polymers, such as bio-PET and bio-HDPE, are essentially identical to the petrochemical-based materials. Therefore, they are deemed acceptable within the current collection and recycling landscape in South Africa.”

In Harpak Ulma’s blog post *2021 Bakery Packaging Trends: Lessons North American brands can learn from Europe*, several key areas of sustainable packaging are highlighted. Most notably ...

“... recyclable plastics and papers that lengthen the life cycle of packaging materials and give new life to post- and pre-consumer waste. Also mentioned are lightweight film and paper materials that reduce the raw material consumption necessary for packaging production.”

Additionally, the availability of plant-based non-toxic inks supplied with commercial packaging and weighing machines is a small but complementary change.



Image courtesy of Jill Burrow, Pexels

So, while the compostable and biodegradable packaging industry is still nascent, recyclable options are far more widely available, which means certain consumers are beginning to expect and demand their use.

Packaging for hygiene reasons is also becoming more important to many consumers as they navigate the pandemic and come to terms with its effect on their shopping habits. An article on the *British Baker* website notes that customers are already showing a marked preference for packaged goods, as well as stores with bakery departments that practice good hygiene controls whilst also maintaining strict health and safety measures.

### Back to basics: bakery training

It goes without saying that staff training and bakery best practices are key to a successful bakery. Customers expect to find what they need easily, be enticed by the displays, and impressed by what they see. For this to happen your staff must be well trained, your product offering solid, and your displays impeccable. It is important to keep your display area clean, well-lit, and interesting.

Empty spaces are off-putting and can detract from an otherwise attractive display. It is also important to clearly display pricing and product names, where applicable. Keep similar products grouped together for ease of shopping, but don’t forget to use cross-promotions wherever possible – and be innovative. Unusual or unexpected pairings can be highly appealing to the adventurous consumer – and trigger “that’s interesting, let me try it!” moments.

### Bakery trend watch

Some trends come and go, but others move from fad to fixture. The impact of Covid-19 cannot be understated as consumers were forced to change their habits, and quickly. The effect has been a host of new trends, sometimes contradictory, but nevertheless gaining traction on a global level.

- The rise of mindful eating and the demand for healthier products is not entirely new, but consumers became much more health conscious, en-masse, with the advent of Covid-19. This has meant a rise in products that are gluten-free, wheat-free, low-sugar, low-fat, vegan, keto, or



banting, and that have additional benefits such as added seed and ancient grain breads, and added nutrients such as probiotics, vitamins, iron, and calcium.

- Has the prolonged loss of taste experienced by many people driven innovation in bold flavours and tastes? Either way, 2022 has definitely seen a move to stronger flavours in baked goods.
- ‘Taste the world’ international bakes and flavours continue to introduce consumers to a wide variety of artisanal breads and speciality bakes that evoke either a sense of nostalgia or adventure.
- Despite the growth in mindful eating, there remains a craving for comfort, so home-baked goods and traditional recipes (with organic ingredients) have also come to the fore, regardless of their sugar content and calorie count.
- Occasion bakes for at-home entertaining are in demand by consumers who have started cooking for themselves and entertaining at home more frequently.

### In summary: bakery remains the consumers’ darling

The in-store bakery remains one of the favourites for consumers, even though we are seeing trends that are not logically aligned. Bakers need to embrace innovation in terms of both taste and technology, while also remaining true to well-loved traditions. Cash-strapped consumers are bargain-



Food Lover’s Market has mastered the lighting, product range and appealability of their in-store bakeries. You’ll go in for bread and come out with a whole lot more.

driven, whilst others are appreciative of and willing to pay for the extra time and effort it takes to produce artisanal goods. Much of it depends on your target audience and store location – but even here, consumers’ wants and needs change on a regular basis. A builder we interviewed said he doesn’t eat yeast, while another is managing

a diabetic condition that eliminates white bread from his diet. It’s easy to fall into ‘lower income, upper income’ silo-style thinking, but consumers are far more nuanced than that.

Now more than ever bakery managers must be fast, agile, and flexible to keep up with a rapidly evolving market. **SR**

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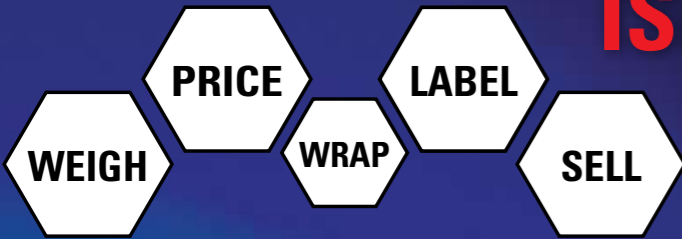


**Ann Baker-Keulemans**, a highly experienced business and consumer journalist, is published in numerous print and online platforms, writing on topics related to business, lifestyle, and health, with extensive knowledge on the SA retail and wholesale landscape. She holds a Bachelor of Arts degree in English Literature (British and Commonwealth) and Media Studies and is a member of the Golden Key Honour Society. [ann@wilkinsross.co.za](mailto:ann@wilkinsross.co.za)

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# Savour some sweet satisfaction in 2022

The rise of the snack was an unintended consequence of extended lockdown. Almost a year and a half of working and schooling from home made a significant impact on how we consume certain foods and beverages, and the snack, both sweet and savoury, rose to the occasion. The pandemic also saw the rise of a newly health-conscious consumer looking for reduced sugar and low-fat snacks that complement their wellness goals. Savvy producers and manufacturers are embracing this trend globally and in South Africa.

## Snacks and Treats are evolving

The Snacks and Treats category covers a wide range of sub-categories and departments, including salty snacks, sweet treats, meaty snacks, and dried fruit and nuts, as well as dairy treats like yoghurt, drinking yoghurt, bite-sized cheese treats, and dairy-based drinks. Snacks and Treats also must meet evolving consumer requirements such as high-protein, low-carb, keto, banting, dairy- and gluten-free, vegan, and vegetarian.

Snacks and Treats feed the body and the soul, replacing meals, and providing healthy energy boosts, while also offering psychological comfort in stressful and anxious times.

This is many boxes to tick, but the variety of options on offer provides a multitude of brand building and sales opportunities for suppliers and retailers.



## The snack as meal replacement

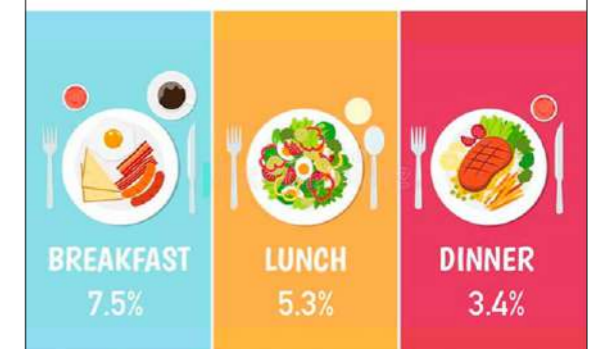
Spoonshot, a data-led food innovation insights company, says that on social media at least, snacking is king. In a recent newsletter, Breakfast at Hershey's, they note that, "Among snack-related social media conversations, we found mentions of chocolate had gone up from 4.8% of conversations in 2018-19 to 8.7% of conversations during 2020-21."



This is why they weren't at all surprised when iconic US brand Hershey's successfully launched their Reese's Snack Cake, and then followed this up with a crunchy version.

Food innovation insights company Spoonshot notes how snacks association to meals in social media posts has increased over the last five years.

## Snacks association to meals in social media posts over the last five years



### Breakfast snacks on the rise

Several food data companies have noted that lockdowns and working from home has led to an increase in snacking and home-based treats, particularly over the breakfast period. The same reasoning applies to snacks and treats for school-aged children. Parents juggling work, school, and family life from home are reaching for snacks as meal replacements for the whole family, and they're demanding wholesome and nutritious offerings as well as little luxuries.

In an online article on upcoming food trends for Food Navigator-Asia, Pearly Neo quotes Whole Kids founder and CEO Monica Meldrum, saying "Children's snacks [are not new] but never has the appreciation for good quality, nutritious, organic product options been higher [amongst parents]."

### Mindful snacking

Healthy snacking is on the rise and products meeting this need are in demand. With consumers moving towards online shopping during lockdown, retailers and supermarkets need to get feet in store with offerings that meet their consumer's needs, while also catering to consumers who have embraced the ease of online shopping.

Mindful snacking about knowing exactly what it is that you are putting into your body. Natural, organic ingredients, locally sourced and made, and preferably in recyclable packaging, served in sensible portions and with labels that are both clear and informative, are all highly desirable for health conscious snackers. Consumers want food

that's good for them – snacks and treats with added protein, probiotics, antioxidants, natural ingredients, and added vitamins and minerals.



Products with immune-boosting properties and 'clean food' labels are attractive to these shoppers.

### Snack bar options

Snack bars have also evolved, with minimal or no sugar, seeds, nuts and dried fruits, and sometimes small amounts of yoghurt, chocolate, or carob for added sweetness paving the way for healthier options. Snack bars are ideal for school lunchboxes and can be packed with protein and healthy fats – essential nutrients for growing children.

### Eggs all day

Eggs have had a rough ride over the years, but experts now agree that eggs are tiny nutrient powerhouses and should be included in a healthy diet. The key is to consume them in moderation. A hard-boiled egg makes for a great savoury snack and shouldn't be overlooked by retailers when it comes to cross promotional opportunities.



## BACK TO SCHOOL

The back-to-school landscape has changed, but one thing has stayed the same – lunchbox snacks and tasty treats are a must.

Whether children are physically at school or doing online learning, healthy snacks for growing children that meet parental nutrition requirements – while satisfying a child's tastebuds – are good for everyone. Parents are looking for healthy options packed with protein and other valuable nutrients, and high value treats as rewards or comforts.

Pack size and bulk-buys are both popular for back-to-school snacks. Bulk buys usually offer value for money (a must for many parents) and can be portioned out accordingly.

At the same time, individually wrapped portions are a win for lunchboxes, particularly when it comes to foods that need to stay fresh. Individual packets of dip and crackers, cheeses, salami sticks– the list of possible pre-packaged snacks and treats is almost endless and presents private labels with good opportunities for product development. These can cost more, but for many parents it is worth the convenience.



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**Homemade trail mixes and granola**

With their newfound culinary expertise and a willingness to try new recipes, catering for consumers who want to create their own snacks and treats is important. Rolled oats, dried fruits (without all the added sugar), raw or plain roasted nuts, seeds, dried coconut, seaweed or kale, dried berries such as cranberry and goji, and either raw (local) honey or maple syrup are oft-used ingredients for some of the Internet’s most popular homemade snack recipes.

In addition to selling the raw ingredients, give your customers ideas for how to use them, perhaps with an in-store scanning option to get a weekly recipe on their phone.

**Anytime is snack time**

In an article for Food Business News ([www.foodbusinessnews.net](http://www.foodbusinessnews.net)), Nestle focuses on five trends for 2022, it was stated that “More than 35% of consumers report snacking more often now than one year ago, with snacking occasions accounting for 48% of all food and beverage occasions, according to data from The Hartman Group.

Appealing to snackers across generations is a key focus for Nestle in 2022.” The article goes on to quote Alicia Enciso, chief marketing officer at Nestle USA, who said, “We’re seeing this convergence in terms of people snacking more throughout the day while also being interested in additional trends, like health and wellness.”

Nestle USA has recently introduced Rallies Nut Butter Bombs, a low sugar refrigerated snack that comes in brownie almond butter and salted cashew butter. A raspberry peanut combo will be launching soon.



**Life’s little luxuries**

The upheaval of the past two years has caused a resurgence in consumers looking for comfort foods, nostalgia, and the pick-me-up of a little luxury. Small or bite-sized portions of luxury chocolate, truffles, and sweet treats or bon bons are seen as not only acceptable, but necessary for some consumers’ wellbeing. Parents looking to comfort their children in stressful times are also slightly more lenient when it comes to tasty treats, and as such are more likely to pop something a little decadent into snack and lunch boxes. In an article called *Five must-know snack trends* for Speciality Food Magazine ([www.specialityfoodmagazine.com](http://www.specialityfoodmagazine.com)), the writer notes that “consumers are still looking to indulge while they snack, occasionally turning to products that don’t necessarily have healthy credentials.” In an article on Smart Brief ([www.](http://www.smartbrief.com)



**Healthy treats for tiny tumms**

**Say hello to sunflower seeds**

In an article on IOL called Food trends to look out for in 2022 by Lutho Pasiya, Tristan Latouf, executive chef of the Radisson Blu Hotel Sandton’s Vivace Restaurant, says “Seize the sunflower seed!” He adds, “After fuelling grand slams and double plays for years, sunflower seeds are branching out of the ballpark and sliding into crackers, ice creams, and creamy cheeses. Delivering protein and unsaturated fats, these mighty little seeds are transforming the 21st-century snack game.

[www.smartbrief.com](http://www.smartbrief.com)) author Emily Crowe agrees, writing “Ferrero North America recently introduced Kinder Bueno Minis, which are bite-sized and individually wrapped takes on the classic candy bar. Mars is also offering an indulgent take on its classic Snickers bar with its new almond brownie and dark chocolate squares. Bimbo Bakeries’ Entenmann’s brand, meanwhile, has rolled out Little Bites Mini Tarts with apple, strawberry or cinnamon filling.”



# plastic ideas



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**Innovate and create**

Snacks and Treats are seeing innovation in terms of taste, texture, and ingredients. These trends are set to become trailblazers ...

- Bold flavours (barbeque, citrus, lemon, chilli)
- International inspiration (for example, seaweed – inspired by sushi and now added to crackers, and yuzu – a citrus from Japan, Korea, and China)
- Superfoods (think moringa, ginger, hibiscus, yuzu, turmeric, dragon fruit)
- Vegetable-inspired and artisanal vegetable snacks utilising cauliflower, beetroot, zucchini, kale, and sweet potato, among others.
- Grain and legume alternatives – ancient grains, rice, oats, sorghum, hummus chips, dry roasted chickpeas, roasted edamame, quinoa, or lentil-based chips.
- Sustainability, locally made, reduced footprint and recyclable packaging are other key shifts for 2022 and beyond.



**Catering to your market**

The major difficulty for retailers here is knowing what their consumers want – and providing it. There is a huge range of snacks and treats available, which makes up-to-date data on your shoppers and their preferences vital.

Direct and targeted marketing through SMSs and social media is a good way of enticing consumers into your store, but you need to know what they want to tempt them. It's also critical to let them know what's new on the Snacks and Treats shelves.

While these items sometimes make it onto shopping lists and, particularly for parents or home-based workers, drive entire shopping trips, they also cater for emotion-driven or impulse buys

– so as a retailer you can also proactively drive interest through your marketing and promotions.

Snacks and Treats have stepped out of their comfort zone and become an exciting journey of health-driven discovery for consumers – while still catering for those moments of happy indulgence. **SR**



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Image courtesy of Daria Shevtsova, Pexels



# CASE CLOSED

## Energy Saving Solutions

Glacier Door Systems has introduced the Air Shield ('Close the Case') Glass Door retrofit solution for refrigerated supermarket display cases, as well as the Eco Leaf Replacement Glass Door for existing glass door freezer rooms and glass door freezer display cabinets. Both solutions guarantee energy-savings in an ever-increasing energy cost environment. Part of the well-established Universal Industries Group, Glacier has 26 years' experience and are acknowledged industry leaders in refrigeration door technology. Innovative and forward-thinking, the company is built on cutting-edge technology, technical expertise and a customer-centric approach.

## Air Shield Glass Doors

### Features and Benefits

- Double glazed glass doors with Argon gas fill for superior insulation.
- Glass durability and clarity with torsion bar for positive closing.
- Glass door heating option for high humidity environments.
- Glass doors available with hold open brackets and LED lighting options.
- Flex modelling means glass panels are customised to fit existing cabinets and are tailored to suit each store's specific environment.

**A quick and easy energy-saving retrofit solution, Air Shield Glass Doors can be fitted to any existing open refrigeration case, saving up to 40% on energy consumption.**



**Note:** The value proposal is based on R1.31 per kWh and 40% energy saving. These are averages based on our experience and can be validated per store.

### The value benefit

- High-quality locally manufactured solutions featuring the latest energy-saving technology.
- Demonstrated good pay back periods can be expected.
- Customised solutions to suit your store.
- ISO 9001 accredited factory.
- Safety toughened glass in accordance with SABS/SANS certification.
- Flexible installation timing to offset any customer disruption.
- Financing options available.

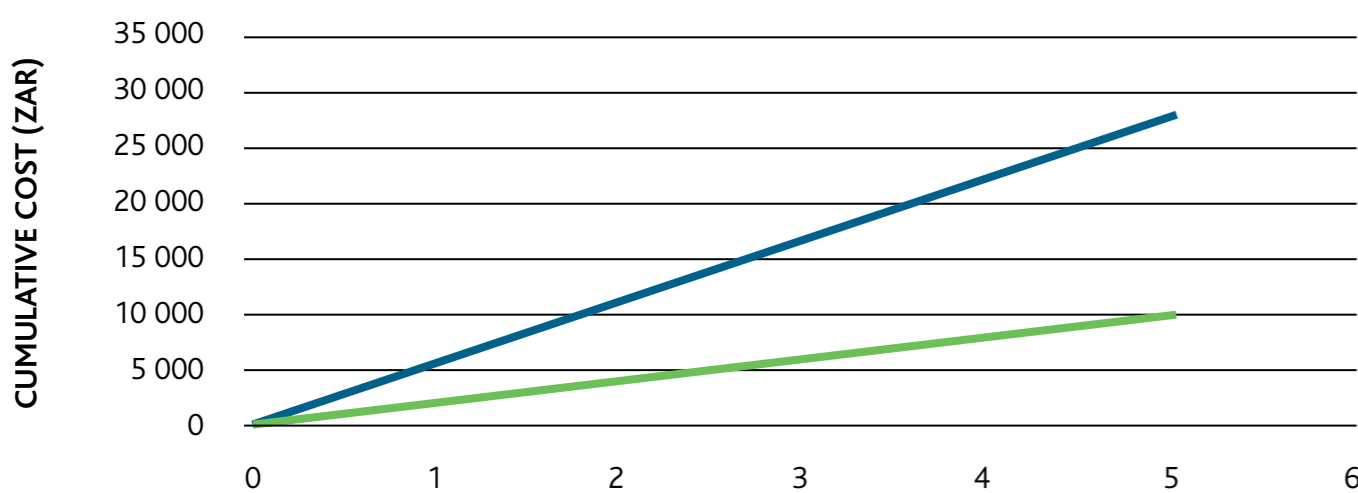
**You can trust a Glacier door**



### Eco Leaf Freezer Doors

Designed as a 'swop-out', energy-saving replacement glass door utilising 220V technology that eliminates the need for voltage-reducing capacitors. This results in an amperage reduction from 1.29A on the standard door to 0.46A (64%) with the replacement Eco Leaf Door.

The Eco Leaf door is 64% more efficient than the standard door. The value proposal is based on R1.31 per kWh and 64% energy saving. These are averages based on our experience and can be validated per store.



	AMPS	VOLTS	WATTS
Glacier Eco Leaf Door	0,46	230	105.8
Glacier Standard Door	1,29	230	296.7

# Study shows that Gin is more popular than beer!

To say that alcohol is an integral part of South African life might be a bit of an understatement. With no less than four prohibitions since March last year, and numerous periods of restricted trading, our booze ban woes dominated conversations and regularly made national – even sometimes, global headlines.

It's not just about our love of the ubiquitous beer around the braai and a glass of wine at the end of every day. When it comes to alcohol, South Africa's top producers are internationally recognised, as shown by Dutch giant, Heineken's recent move to put in excess of €2 billion on the table to acquire the Distell company and its suite of category-leading brands.

We're, of course, also an acclaimed and significant wine-producing country, and we hold our own nicely when it comes to home-grown brandies, liqueurs, ciders and gin. While we're not the country of the heaviest drinkers on the African continent – that's Nigeria – alcohol, its production and consumption is woven into our nation's industry, wealth, and culture.

BrandMapp, a massive annual survey of more than 33 000 South Africans living in households with a R10 000+ monthly household income has



drilled down into our recent opinions and habits during the alcohol-stressed pandemic times. The survey focuses on a 30% segment of the population who are relatively, moderately to very wealthy. It's a sample representing 100% of the country's taxpayers and 80% of consumer income and, therefore, spend in the formal economy.

## **Gin is now more popular than beer for middle-class-and-up South Africans**

A whopping 76% of middle-class-and-up South African adults drink alcohol. Wine has always been the drink consumed by the largest number of adults, but over the past four years, gin has taken over second spot on the drinking podium.



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- Self-closing hinge up to 40 degrees
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- 100% recyclable
- Enables warmer store aisles
- Improves shelf-life of products
- Compatible with OEM and retrofit cabinets
- Designed according to DIN EN ISO 23953 standards
- Preserves temperature during power failures
- Reduced refrigeration capital cost

## RETROFIT

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Brandon de Kock

BrandMapp director of storytelling, Brandon de Kock says, "Worldwide, the strong gin marketing trend has been readily taken up by consumers, and South Africa has been no slouch in our response. With our historic, artful distilling skills, we were able to quickly capitalise on the interest in craft gins and, with our unique fynbos botanicals to hand, South African gin has blossomed. But I think the main reason for its fast rise in popularity has a lot to do with the fact that it's gender-agnostic. It appeals equally to men and women, so it's appealing to 100% of the market unlike other categories like beer and cider that are typically sharply divided on gender."

De Kock says, "When we look at the trend view over the past four years, what's interesting to note is that while gin knocked beer into third place, it took its gains from wine while beer consumption has stayed the same. The relative decline in wine-drinking can be attributed to, amongst other things, the 'youthification' of the marketplace. Typically ...

“ A wine habit is acquired with age, wine knowledge and experience. 28% of our respondents listed wine-tasting and belonging to wine clubs as one of their preferred past-times. ”

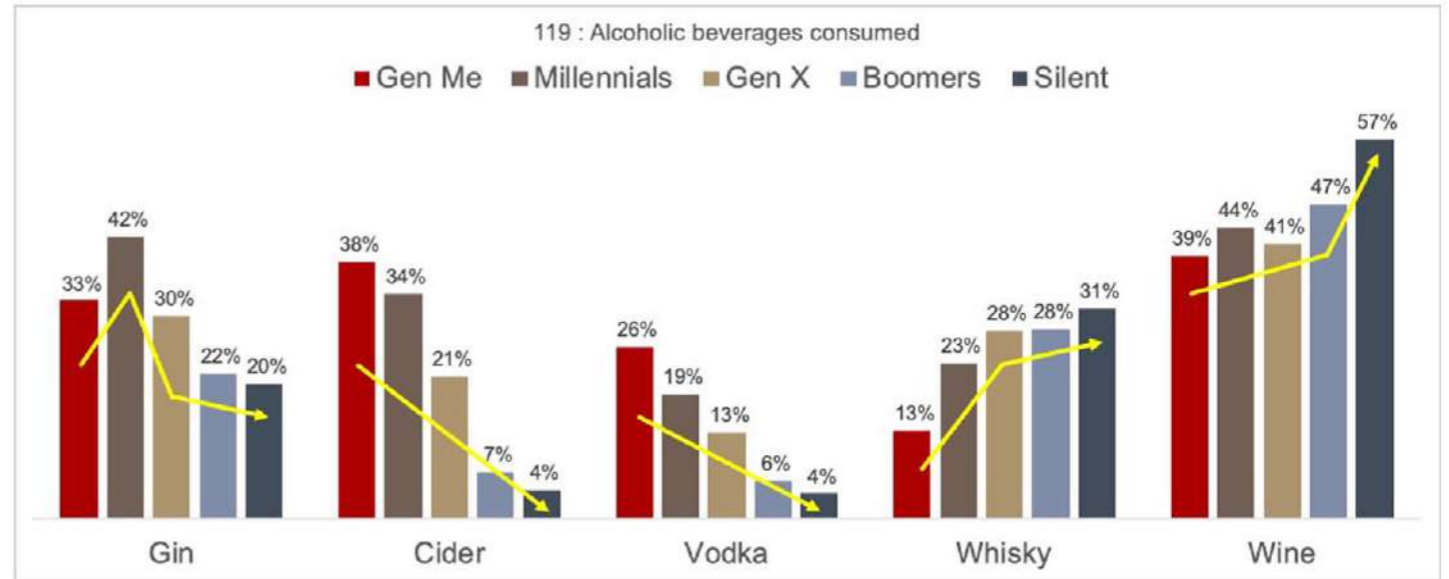
### The choice of beverages across South Africa's o-be-joyful generations

"So wine is very much like whiskey in that it is indeed an acquired taste," says De Kock. "We also see that there are some alcohols that we 'grow out of' such as vodka and cider. Although gin looks to be on a similar trajectory, the story's a bit more complicated. It's obvious that gin has really found favour with millennials but, in absolute terms, it's also grown 100% across

## Whisky is an acquired taste!

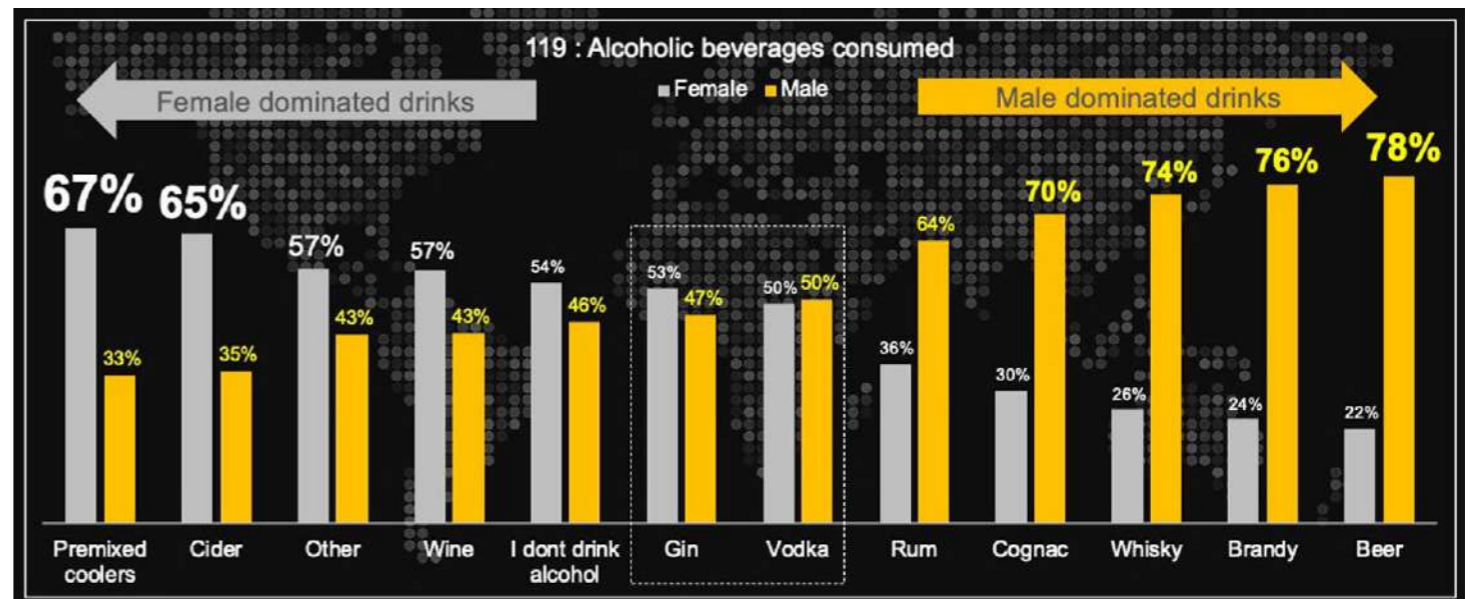
And so is wine, but in a different way.

Gin might look like a drink that gets ordered less as you get older, but it's only because the youngsters have taken such a liking to it



## A serious gender divide in the alcohol world

Gin is gender-agnostic, but beer, for example, is only really targeting one half of the market



Graphics courtesy of: BrandMapp bywhyfive

the older age cohorts over the past four years. I think it's this rapid growth that made everyone in the business very excited at the prospect of the 'craft rum' market doing the same thing, but I have my doubts about this.

We may live in a country where sugar cane grows like a weed, but rum is coming off such a low base that it would be a massive surprise to see it being the 'next gin'. Personally, I think there's more scope in the premium cider market than there is in crushed sugar cane!"

**Are South Africans ready to jump on the alcohol-lite-alcohol-free bandwagon?**

In the pursuit of healthier lifestyles, there's increasing choice when it comes to alcohol-free beer and gin, de-alcoholised wine and 'mocktails'. But, as a nation with alcohol deeply ingrained in our social rituals, will South Africa buy in?

Given the outcry over pandemic alcohol bans, this seems a stretch. BrandMapp 2021 asked the questions: Can you see yourself drinking less alcohol in the near future?

What about quitting drinking in the near future? De Kock says, "The older generations say, "How about another round!"

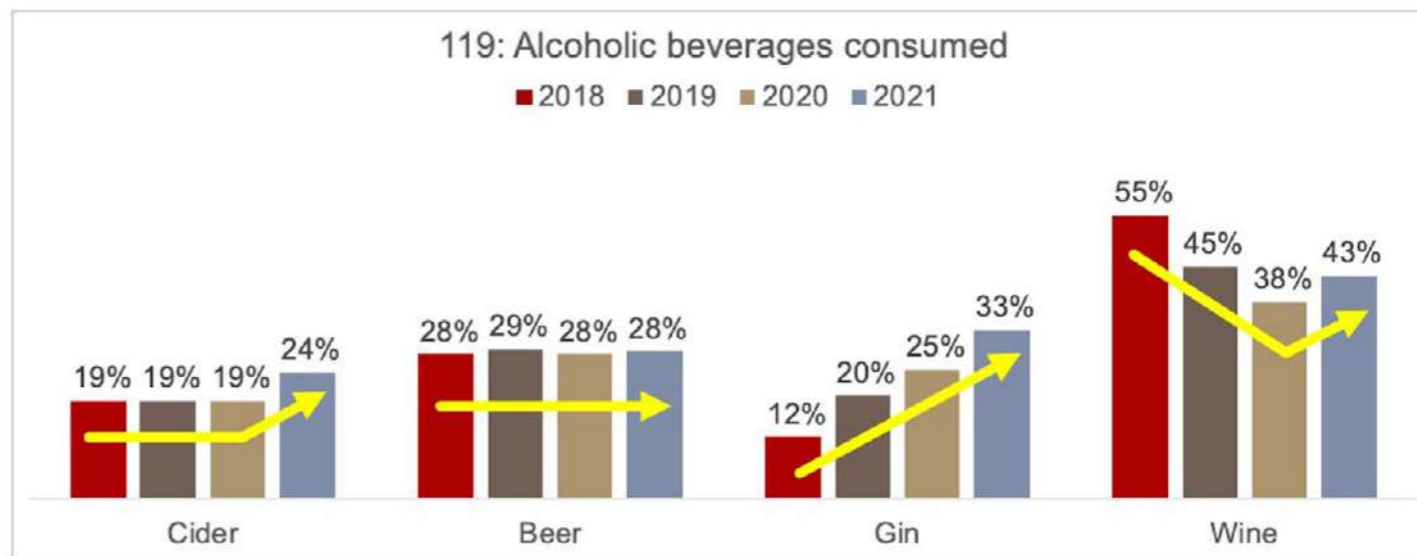
“ It's clear the Millennials are the most self-aware of their drinking habits, with 27% thinking they may cut down in the near future, and 10% musing that they may quit alcohol altogether. ”

This is the generation currently dominating the workforce and actively building their wealth.

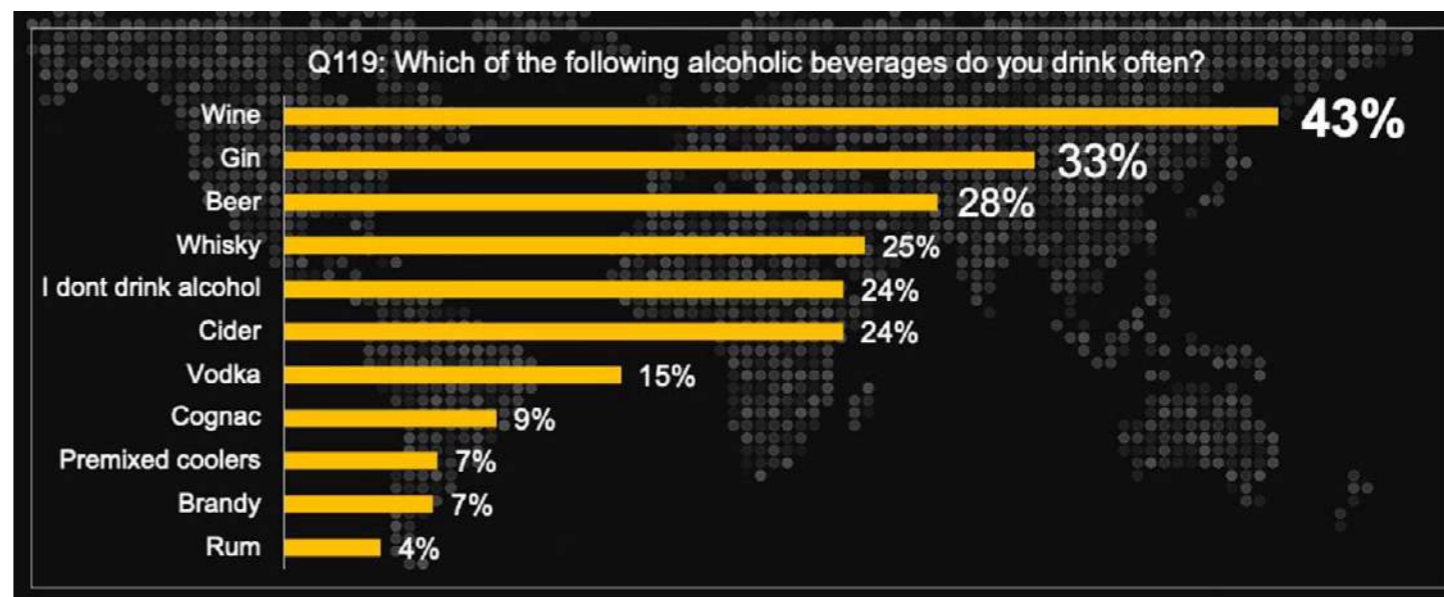
If they are serious about changing their consumption habits, could we be on the brink of a sea change when it comes to South Africa's drinking culture?" **SR**

**Gin seems to have taken share from wine as an 'entry drink'**

Most importantly, gin has found favour with both men and women ie. 100% of the market



**There are now more gin drinkers than beer drinkers (In R10K+ household in SA)**



Graphics courtesy of: BrandMapp bywhyfive

The BrandMapp survey is a bespoke, independent survey created by WhyFive Insights in partnership with leading digital platform marketing and research group, SilverstoneCIS. <https://whyfive.co.za/brandmapp/>



Up to 40% energy saving with our Close the Case Glass Doors

## Ways to save

With energy costs rising and food retailers looking to improve the shopping environment for customers, Insulated Structures has developed an effective solution to reduce the cost of in-store refrigeration while enhancing the customer experience.

Insulated Structures doors are easy to retrofit on in-store cabinets to reduce the energy required to keep chilled foods at the correct temperature.

Meanwhile, customers are able to clearly see and access the products on offer. Reduced energy requirements means smaller refrigeration plant selection for new stores. These savings will offset the cost of the doors. Up to 40% reduction in refrigeration requirement has been achieved.

## Benefits

- Reduced energy consumption
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- Optimal product temperature
- Glass doors have optional mullion lights
- Handles included
- Up to 40% energy saving
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# What this year's trolley holds

## A look at 2022 retail trends



Alisdair Sinclair  
Managing Director, South Africa  
Mondelez International

Retail is renowned for being fast-paced and highly competitive. If anything, the pandemic has only intensified this, with evolving shopping habits and customer needs, and the growing adoption of digital shopping platforms.

South Africans' shopping habits shifted significantly when the pandemic started, driven predominantly by lockdown restrictions that saw people do bigger, quicker, and more infrequent shops closer to home – but this behaviour has stuck.

People still tend to shop closer to where they live, and buy bigger baskets or trolleys of essential goods so that they don't have to shop as frequently. More people are also using mobile apps and online platforms to have their groceries delivered directly to their doors.

Retailers have largely responded to these behavioural patterns and trends, with many of the country's larger supermarkets introducing or adapting their apps and websites to become more user friendly and meet customer needs and demands.



These changes are broadly the same across the rest of Africa and globally, and are set to accelerate and become more embedded: rapid change and volatility will continue to define the retail landscape in 2022 and beyond.

Some of the biggest trends we can expect to see include:

**“Tough times never last, only tough people last”** – but even the tough are going to have to brace for ongoing rising food prices: times are only going to get tougher as continually rising electricity and fuel prices drive the cost of food up – and forecasts show that this is set to continue.

According to the Pietermaritzburg Economic Justice & Dignity group (PMBEJD)'s latest Household Affordability Index, the average South African Household Food Basket cost R4 317,56 in October 2021 – increasing by R98,08 (2,3%) month-on-month, and R400,83 (10,2%) year-on-year. All indications point to this trend continuing, which will put severe strain on South African consumers

Image: Karolina Grabowska, Pexels





# Save Energy Save Money

**Our Hybrid Sub-cooling System is the most cost effective and efficient energy system for supermarkets in South Africa**

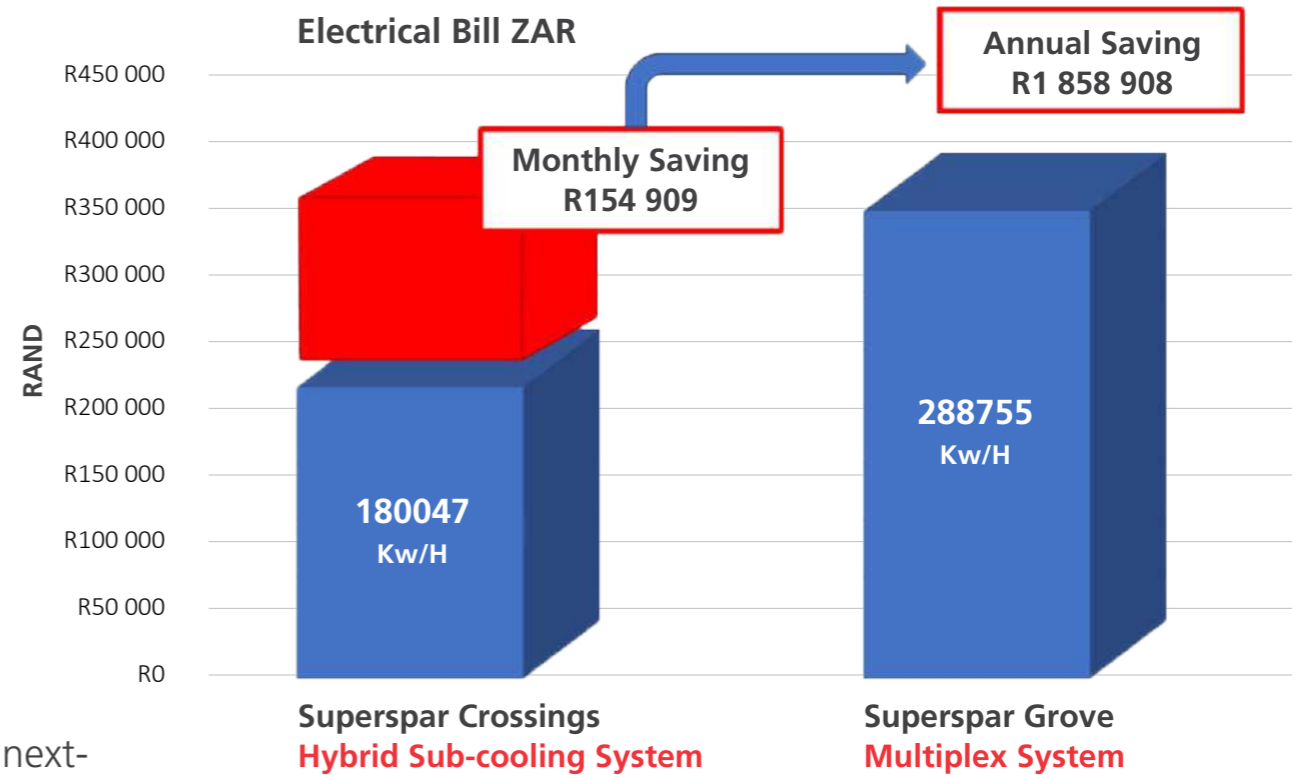
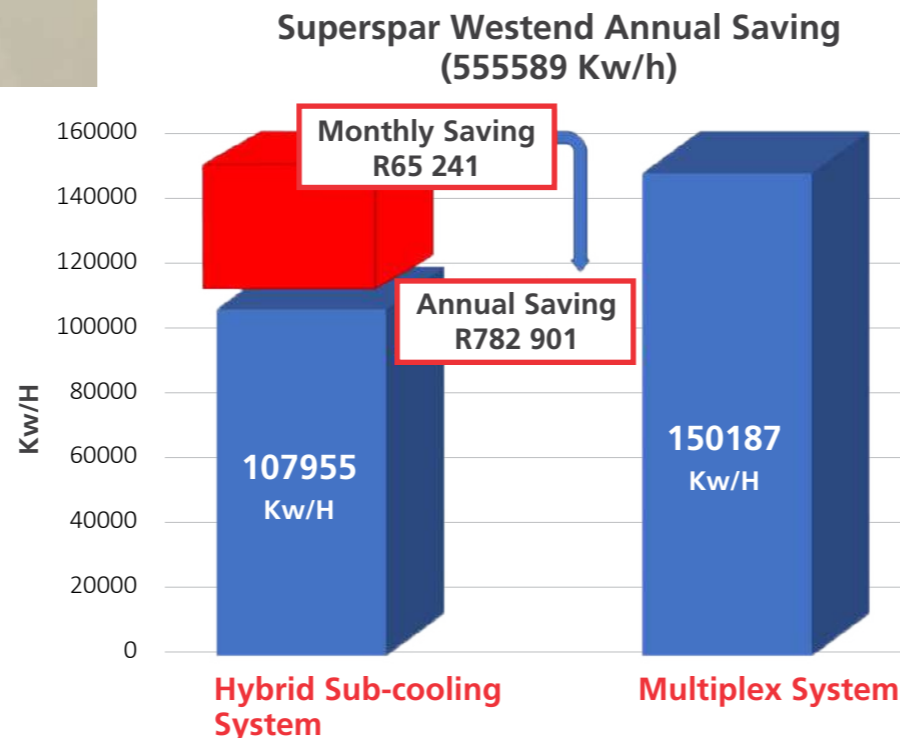


High-tech refrigeration systems, with features like multiplex compressor racks and electronic expansion valves, save many South African retailers millions of Rands annually.

Now, with breakthrough technology, we have dramatically increased that cooling efficiency even further.

Our new Hybrid Sub-cooling next-generation technology will give you a **minimum of 30% reduction** on your total electricity bill – **guaranteed!**

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and households – meaning that retailers and brands will have to find innovative and meaningful ways to help consumers and remain relevant in uncertain and challenging times.

- **The pursuit of convenience** means that online shopping will continue to grow, but retailers will need to focus on integrating online with physical store offerings: research by the Economist Intelligence Unit shows that ...

“The growth of shopping applications will continue apace globally, driven by greater choice offered through mobile apps – and South Africa and the rest of the continent are closely following this trend.”

However, this doesn't mean that brick-and-mortar stores have become obsolete – instead, physical stores will increasingly need to enhance their service offering of online channels. As the report noted, many shops offer a 'click-n-collect' hybrid channel, and the shop itself serves as the pick-up point. Taking a multi-channel approach and bringing together the best of online and brick-and-mortar shopping offers the ability to tap into evolving and diverse customer needs.

- **Sustainability continues to be a top priority** for South African consumers – so brands need to illustrate their commitment to behaving in more sustainable and eco-friendly ways: a Mastercard study revealed that ...



Image: Kindel Media, Pexels

“98 percent of South African adults are willing to take action to combat environmental and sustainability issues, and that 76 percent feel it's now more important for businesses and brands to do more for the environment.”

This builds on a growing body of research undertaken over the past few years that illustrates the mounting importance of sustainability to South Africans.

Nielsen's Global Corporate Sustainability Report dating back to 2015, for example, showed that 68 percent of South African consumers were willing to pay more for products that came from brands

showing a commitment to sustainable practices – which was higher than the global average of 66 percent.

A Consumer Sentiment in Retail Report for South Africa by Deloitte also showed that by 2019, social media conversations around sustainability and environmental impact in retail had increased substantially in South Africa. Millennials in particular were looking for more sustainable brands and products: seven out of 10 millennials said they were willing to pay more for a product with a conscience.

“This indicates that sustainability consistently remains a priority for South African consumers and that to win customer trust and loyalty, retailers



need to actively show how they are acting in a responsible and transparent way, such as moving away from single-use plastics, scrapping plastic bags and investing in bags and packaging that is both recycled and recyclable. Retailers will need to keep up this momentum and continue investing in innovative sustainability efforts.”

- **Africa remains the final frontier** as a driver of growth for retail: the Economist Intelligence Unit’s Retail 2022 report found that “retailers are already looking to invest in African markets now in order to reap the potential they may have ten or even 20 years down the line.”

By 2030, according to the report, the top 18 cities in Africa could have a combined spending power of

US\$1.3 trillion – and retail demand will see solid growth on the continent next year and into the next decade. Unlocking this potential will require strong local partnerships and a deep understanding of local markets to meet consumer needs.

- **The search for the sweet spot** means offering the right snack for the right moment made the right way: Every year, we conduct a global snack trends study, and our most recent State of Snacking report showed that 52 percent of adults around the world agreed that snacking has been a ‘lifeline’ throughout the pandemic – which is likely to continue going into 2022 as the uncertainty created by the pandemic remains. This indicates the importance of snacking right,

and empowering people to snack right by offering the right snack for the right moment. This means giving people ...

“... a wide range of high-quality snacks so they can make informed choices, making it easy for them to enjoy these snacks when and how it suits their lifestyles, and ensuring that they are not only right for people but also for the planet through sustainable sourcing and packaging.”

Retailers and snack companies need to continue forging partnerships that help people snack better and make it seamless and convenient for them to do so. **SR**

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# Retail predictions trend 2022 | Africa

Despite time, new ways of doing things, adaptability, and innovation, Covid-19 reshaped the consumer goods market across sub-Saharan Africa. Driving economies forward as life slowly finds a balance will have retailers needing to stay ahead of the turn and adopt an evolving mindset to strategize and execute to grow business and allow room to flourish in a post-pandemic world.

From a global perspective, analysts such as [www.forrester.com](http://www.forrester.com) are suggesting that 2022 will be a year of investment and new partnerships, specifically referencing trends for retailer and brands around the circular economy – a logistically challenging offering and one that will become a must-have investment with 60% of online adults in France, 49% in the UK and 41% in the US preferring to buy environmentally sustainable products.

Returns will become the next retail competitive service differentiator – originally seen as part of 'boring but necessary' operations, returns will become a hot differentiator for retailers in 2022 with three out of five French, UK and US online adults preferring retailers that offer free return shipping. While partnerships of all kinds will be the key to growth – think established retailers



partnering with direct-to-consumer brands – think also of retailers investing further in retail media networks.

Closer to home, with the focus on economic recovery in sub-Saharan Africa, the International Monetary Fund (IMF) recently released a report on the regional economic predicting that the region is expected to grow by 3.7% in 2021, the slowest recovery in the world. South Africa's GDP outlook was revised from 4% to 5% but it's unlikely that the country will be able to sustain this pace, with growth predicted to slow to 2.2% this year.

[www.euromonitor.com](http://www.euromonitor.com) suggests that retailing sales in this region was expected to grow by 7% last year however country specific recovery will vary due to the different impact of Covid-19 and unique local circumstances. Kenya and Nigeria's retailing industries will recover the fastest, exceeding their 2019 market sizes by 2022, however South Africa's retail industry will only return to its former value size by 2025.

In a recent BizCommunity article it was suggested that in order to stay competitive, mindful of the expected growth predictions, retail organisations

A photograph of two women in a modern, bright office environment. One woman is seated at a white counter with a laptop, while the other stands behind it. The background features white cabinetry, a hanging plant, and decorative wall items. A blue gradient overlay is applied to the left side of the image.

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will have to adapt to evolving change to stay ahead, with the following trends under the spotlight for this year ...

Image: Albin Berlin, Pexels



**Supply chain issues resolve slowly** – for a variety of reasons 2021 was marked by global supply chain shortages. Fortunately, this year should see a return to some sort of normal with analysts saying that the world is now through the worst of it. It will take some time but retailers can at least rest easy in the knowledge that shipping costs should normalise.

**eCommerce** is expected to continue its robust growth trajectory registering double-digit growth over the long-term – most evident in South Africa, reaching more than 40% last year. eCommerce is heavily supported by mcommerce with regions throughout Africa using mobile phones as the primary means of internet connectivity, making these channels critical in any marketing mix.

Consumers will continue to buy from traditional channels such as open markets as they meet shoppers need for value, convenience, and

proximity. This is especially true for low-income consumers who typically buy small quantities of goods at a time.

**Integration of online and offline experiences** – as ecommerce continues to grow, people’s



Image: Ivan Samkov, Pexels

expectations of physical retail stores is changing. Consumers may go to places to experience goods before buying online. Retailers can play into this by creating a seamless experience between these two worlds. At the same time, retailers need to ensure that the store experiences are authentic and data driven.

**Growth of retailers as financial service providers** – in South Africa for example, various retailers such as Shoprite have offered financial services to one degree or another either as store credit, loans, or insurance. The amount of data retailers have on customers such as loyalty programmes, make this an ideal opportunity to launch finance services products. The products will have to be easy to use and genuinely useful as retailers won’t be able to compete on price alone.

“We’ve come so far both locally and globally in under two years in terms of shape shifting to meet a brief we were just not prepared for. In order to move forward, it’s now, all about finding the

balance between seizing new opportunities to accelerate growth, development, innovation and ultimately making sure businesses prosper, matched with ensuring our communities have an increased quality of life; we work sustainably and we take big leaps into a more inclusive future that really cares about our planet and our people.” said Michael Smollan, Chief Growth and Innovation Officer, Smollan.

Having this clear path to purpose where business is transformed on the understanding that growth is not simply measured in economic returns but in the people it impacts, shifts the trend reach well beyond 2022.

With many companies this has become a more entrenched business obligation and part of the bigger picture strategy while for others it serves as a reminder to quick step their approach. Focusing on education, empowerment and strengthening communities; making smarter moves to reduce our environmental footprint; creating meaningful employment and delivering pioneering services and sustainable solutions – is where it’s at in Africa and with an engaged, authentic approach will reap the rewards over time.

Predicting the future can be a costly mistake if you put all your eggs in one basket. When faced with adversity and change that comes quickly, an integrated, data-led approach with the customer experience at the centre of it all and an authentic commitment to sustainability, will certainly position Africa’s retailers well as the retail landscape of today, evolves tomorrow. **SR**

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# South Africa's biggest retailers and brands Move towards environmentally friendly and sustainable packaging

Nonhlelo Nhleko, Ziyanda Ngcobo

Paula-Ann Novotny

Webber Wentzel

As environmental awareness increases, both globally and locally, the amount of waste generated in South Africa is attracting more concern.

Significant volumes of waste are still being diverted to landfill sites, which reflects a continued and dangerous 'take-make-dispose' relationship with consumer products. In response to both consumer and legislative pressures, some of South Africa's largest retailers and brands are now putting a greater emphasis on the recyclability of their packaging.

The World Wildlife Fund South Africa's plastics report (Plastics: Facts and Futures), published in November 2020, showed that out of the major municipalities, only eThekweni Metropolitan Municipality in KwaZulu-Natal and the City of Ekurhuleni Metropolitan Municipality in Gauteng have significant landfill space left. There is therefore an urgent need to divert plastic and packaging waste and other end-of-life materials away from landfill sites.



“ Large retailers such as Mr Price, Woolworths, Shoprite and SPAR and large brands such as Estee Lauder and Coca-Cola have, for several years, been aggressively pursuing sustainable packaging goals by developing and increasingly using environmentally friendly and sustainable packaging. This enhances the appeal of their products to many shoppers. ”

## Legislative moves

The Plastic Carrier Bags and Plastic Flat Bags Regulations published under the Environmental Conservation Act, 1989 (Plastic Bag Regulations) are premised on the popular slogan: “Reduce, Reuse, Recycle”. Read with the plastic bag levy introduced in 2004 under the Customs and Excise Act, 1964, an indirect tax has been imposed on the movement, manufacture, or consumption of plastic bags. Retailers pass this tax onto consumers by charging for every sale of a plastic bag.

The Plastic Bag Regulations also impose certain ‘compulsory specifications’ on plastic bags (such as a minimum thickness of 24 microns), to make plastic bags more environmentally friendly and reusable. Under the most recent amendments to the Plastic Bag Regulations, there is now a deadline that all plastic bags should contain designated amounts of ‘post-consumer recycle’ at certain intervals, until they ultimately contain 100% post-consumer recycle content by 1 January 2027 (subject to permissible exceptions).



But our legislators have acknowledged that we need to do more in encouraging circular economy thinking and practices. In May 2021, the Extended Producer Responsibility Regulations published under the National Environmental Management: Waste Act, 2008 took effect, marking a new waste management policy approach that is now regulated by law. Extended Producer Responsibility (EPR) is founded on product stewardship and the 'polluter-pays principle', to encourage circular economy practices (such as sustainable packaging design), increase recycling rates and divert waste from our landfills.

The EPR Regulations prescribe mandatory EPR measures which designated producers of identified products in (among others) the paper, packaging and single-use product sector must comply with. These include upstream obligations (i.e. regulating the design, production, and composition of products to encourage avoiding, reducing, and reusing waste), as well as downstream obligations (i.e. regulating the waste implications associated with products after their consumption, such as recovery, recycling, and disposal).

In support of the EPR Regulations and their requirements, the Department of Forestry, Fisheries, and the Environment (DFFE) published a Draft Packaging Guideline: Recyclability by Design for Packaging and Paper in South Africa (Draft Packaging Guideline) on 6 October 2021. Its main purpose is to reduce the volume of packaging in landfill sites by improving product design, increasing the quality of production practices, and promoting waste prevention.



Image courtesy of Karolina Grabowska, Pexels

The Draft Packaging Guideline focuses on the design of packaging to facilitate recycling and represents a small but important aid for the journey to sustainable production and consumption, specifically seeking to maximise the value of recyclate (where the specification of recycled materials in the design of new products supports the recovery of material).

### **Ethical marketing**

Large retailers such as Mr Price, Woolworths, Shoprite and SPAR and large brands such as Estee Lauder and Coca-Cola have, for several years, been aggressively pursuing sustainable packaging goals by developing and increasingly using environmentally friendly and sustainable packaging. This enhances the appeal of their products to many shoppers.

However, there are certain legal and ethical obligations relating to the advertising of sustainable packaging.

South Africa's consumer protection laws give consumers the right to fair and honest dealing, disclosure of information and fair and responsible marketing which is not false, deceptive, or misleading regarding the services and product provided.

There is also a Code of Advertising, which requires brands and retailers to ensure that, among other things, all advertisements are legal, decent, honest, and truthful and prepared with a sense of responsibility to the consumer. Brands and retailers should ensure that advertisements are not framed to abuse the trust of the consumer or exploit their lack of experience, knowledge, or credulity. They must ensure that advertisements do not contain any statement or visual presentation which, directly or by implication, omission, ambiguity, inaccuracy, exaggerated claim or otherwise, is likely to mislead the consumer.

Beyond these regulatory mechanisms, the marked rise of Environmental, Social and Governance (ESG)

considerations and impacts which organisations are expected to understand, internalise and disclose against has brought with it a warning against 'greenwashing' – the phenomenon of conveying a false impression or providing misleading information about how a company's products are more environmentally sound.

“ Brand owners and product labels need to be wary of false advertising, as an increased number of claims and litigation in the ESG space have been premised on greenwashing attempts by big corporates and retailers. ”



Image courtesy of Anna Tarazevich, Pexels

## Where will this lead?

“ These measures all demonstrate the importance being placed on sustainable packaging and providing accountability mechanisms to root out false advertising in various industries. ”

Image courtesy of Arthouse Studio, Pexels



Failure to adopt and abide by these mechanisms will see a significant increase in ESG-related litigation based on misrepresentation and sustainability falsehoods in product labelling and packaging design.

It is becoming increasingly clear that the sustainability and competitiveness of brands is linked to their ability to give effect to the concept of 'recyclability', namely that it must become both technically and economically feasible to recycle product packaging. This will require brands to support and implement circular economy practices and initiatives in packaging design.

With the legislative mechanisms now in place, we expect a variety of mechanisms, solutions and initiatives being implemented throughout the packaging value chain.

Manufacturers, converters, importers and brand owners of certain types of packaging (such as glass, metal, paper packaging and single-use plastic) will, following their registration with the DFFE under the EPR Regulations, now be required to budget for the implementation of upstream and downstream measures to improve the recyclability of their products at the end of their life – whether on their own or by paying Producer Responsibility Organisations (registered non-profit companies in the recovery and recycling space) to do so on their behalf.

We understand that industry is also working on universal and uniform labelling requirements, which are expected to be enforced in the near future.

The informal waste sector will play a crucial part in the mandated EPR schemes that will be implemented in the packaging sector, as will innovative technologies to track packaging materials, their use, and their composition throughout their lifecycle.

“ Due to climate change, recyclability should be at the forefront of product design and development and brands ought to remember that they have an ethical and legal duty to contribute to the South African consumer sector's environmentally sustainable future. ” SR

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## Ways Covid has changed behaviour

# The payment solution designed to meet our new criteria



By Kim Furman  
Synthesis Managing Director

Covid is many horrific things, but it is also an accelerator of progress. Perhaps we would have got to the same place eventually, but it would have taken years. Compare this to the mere weeks it took us to globally adapt to remote work.

According to Accenture research, our changed behaviour brought on by Covid will remain long after the pandemic has passed with 95% of consumers making significant and enduring changes in their behaviour.

The companies, including retailers and banks, that will excel in 2022 will rapidly move in the direction of this change instead of driving against it.

### A dawn of a new era

Payment schemes, Visa, Mastercard and American Express, have driven this change with what is known as tap on phone or tap to phone payments where any person can turn an Android phone into a payment acceptance device within minutes.

There are only a handful of providers globally that are authorised by these schemes to provide this solution. Halo Dot was the first in Africa to

“Cash is no longer king ...



... but certainly not dead.



Cash usage has dropped below 50% in Africa. ”

launch this. Customers need to merely tap their card on the merchant's phone, with Halo Dot technology for example, to make a purchase.

### Our changed behaviour

#### True customer centricity

Covid amplified true customer centricity. Before, retailers would come to consumers' cars to deliver goods through click and collect services, but Covid amplified this. Suddenly click and collect was a standard from large retailers to hairdressers selling hair dye. The retailer now revolves around the consumer. They come to us, before, we generally went to them.

**The opportunity:** Payment methods like tap on phone allow every retailer to excel with click and collect. Whether they have hundreds of orders on Monday and mere tens on Tuesday, they don't need to scale their POS devices. They just need to ensure their staff have downloaded a tap on phone app to accept payments and take their phones to the cars.

#### Fast shopping

Many consumers have become crowd adverse. When we are in the shops, we often want to make it a fast experience. Queues are not something we want to deal with anymore.

Main image: Karolina Grabowska, Inset: Anna Shvets, Pexels



**The opportunity:** It comes back to customer centricity. We have always gone to stand in a queue in an allocated part of a shop. If retailers' phones are payment devices, then their staff can come to us in the aisles and let us pay right there, eliminating queuing and time wastage.

### Minimal touch

Pre-Covid, we would not have thought twice about inserting our cards into a POS device. In 2020, approximately 8 out of 10 people in a Mastercard Global Consumer Survey said they are using contactless. Our behaviour shifted. When a device is not to tap to pay, it seems inconvenient, outdated and unhygienic.

**The opportunity:** This normalisation of contactless payments or the tap means we expect solutions with minimal touch and fast engagement, making this tap technology ideal.

### Reduced cash

Cash is no longer king but it is certainly not dead. Rather the use is diminishing. The Global Payments Report found cash usage dropping below 50% in Africa.

**The opportunity:** One reason cash is still so prevalent is that not everyone can afford a POS device. Tap on phone technology removes this burden to entry and creates more opportunities for small merchants to accept card payments and for consumers to have to touch money less.

### Using cards to pay for small amounts

According to Mastercard, the small payments that used to be dominated by cash have now crept into the card space with 80% of payments being less than \$25. This is evident in card payments features that have been added to mall pay stations for amounts as small as ten rand.

**The opportunity:** This final change in behaviour creates an opportunity for informal and small businesses who trade in smaller amounts to accept card payments. With over 90% smartphone penetration rate in South Africa, these merchants will be able to easily download an app and start accepting payments on their phones.

### How will we access tap on phone technology?

Technology providers like Halo Dot will make this technology available to banks and payment providers who will pass this on to us consumers. Nedbank has already rolled this technology and are experiencing fantastic feedback.

### Closing thoughts

Our expectations and behaviours have changed. And innovative companies are starting to listen, bringing in the dawn of smart, truly customer-centric, instant technology. Whatever 2022 will bring, rest assured, it will bring further progress. **SR**



Image: Jack Sparrow, Pexels

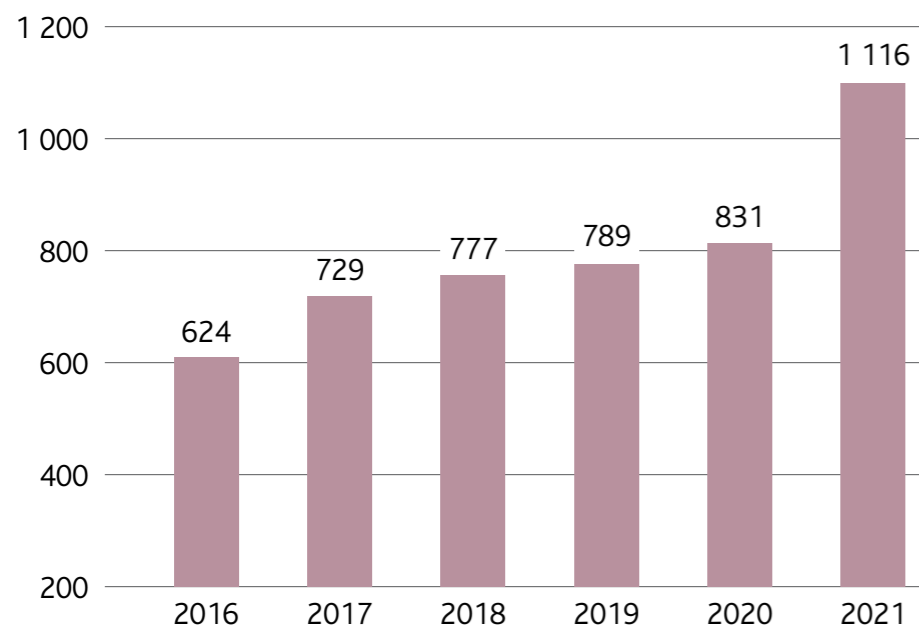
# Global food and drink acquisitions 2016-21

Research: Zenith Global

2021 was another record year for food and drink industry transactions, with 1 116 registered on the Zenith Global mergers and acquisitions database, an average of 21 each week.

The total is 34% more than in 2020 and 79% higher than five years ago. The number has risen every year since a dip in 2013. Funding rounds for early stage businesses have become an increasingly important element.

## Global food and drink acquisitions 2016-21



Source: Zenith Global

The most active sectors were ingredients on 97, packaging on 96, soft drinks on 56 and dairy on 54.

## Global food and drink acquisitions by sector 2020-21

Rank	Sector	2020	2021
1	Ingredients	80	97
2	Packaging	41	96
3	Soft drinks	50	56
4	Dairy	46	54
5=	Snacks	49	48
	Plant-based	22	48
7	Nutrition	35	43
8	Meat-free	29	41
9	Spirits	35	40
10	Bakery	23	39
11=	Meat	27	33
	Wine	25	33
13	Vertical farming	14	32
14	Food delivery	20	28
15	CBD	17	27

Source: Zenith Global

The top 15 sectors saw some significant changes in 2021. Packaging, plant-based and vertical farming deals more than doubled, with plant-based rising 9 places to the top 5. Meat-free entered the top 10, outpacing meat.



Vertical farming, food delivery and CBD moved up to the top 15, while services, water drinks and beer dropped out.

The combination of plant-based (48), meat-free (41), cell-based (24), dairy-free (20), alcohol-free (10) and plant-based seafood (5) would make free-from by far the biggest category overall on 148, 13% of the total. Water drinks (23) and water dispense (18), when taken together at 41, would come 8th.

Five categories had declared transaction values in excess of \$10 billion. These were packaging, food delivery, ingredients, plant-based and dairy.

Eight more categories exceeded \$5 billion – fresh produce, nutrition, meat, soft drinks, snacks, equipment, water drinks and tea.

Meat-free surpassed \$2 billion, while vertical farming and cell-based both exceeded \$1 billion. **SR** [Link to database](#)



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# Maximise supermarket efficiencies



**Thomas Michael Kolster**  
Director of service innovation  
Danfoss

Today's food retail environment is under immense pressure to improve efficiencies, with global megatrends including the fight against climate change, improving food safety while reducing loss, electrification, and digitalisation of operations creating both opportunities and challenges within this sector.

"One of the major focuses within food retail today is the creation of smarter stores that are able to optimise their use of energy, help reduce food wastage and manage environmental impact, and which are more sustainable," said Thomas Michael Kolster, director of service innovation at engineering firm, Danfoss.

Speaking at the recent Southern African Energy Efficiency Confederation's (SAEEC) annual conference, Kolster advised delegates that a connected system, which leverages the benefits of Internet of Things (IoT) devices, platforms and applications, can deliver transparency and efficiency gains to the food retail environment.

He then outlined five technical strategies to help supermarkets not only stay ahead of society's emerging demands but even to potentially benefit from them.



## Sustainable refrigeration with the integration of CO<sub>2</sub>

CO<sub>2</sub> is swiftly becoming the refrigerant of choice within food retail, and it is now recognised as the most viable and efficient solution among natural refrigerants in food retail applications.

"CO<sub>2</sub> offers superior energy performance over hydrofluorocarbons (HFCs), and when up to 60 percent of in-store energy consumption can be attributed to refrigeration, this environmentally-friendly refrigerant can help save up to 20 percent of energy in warmer climates like Africa, with zero impact on global warming."

Danfoss' latest innovation, the CO<sub>2</sub> Adaptive Liquid Management (CALM) solution, can improve the energy efficiency of transcritical CO<sub>2</sub> refrigeration systems, protecting compressors by pulling liquid refrigerant from the suction side and injecting it into the evaporator of display cases and cold rooms.

"A full year's tests by German supermarket corporation the Edeka Group showed additional energy savings of 1 200 Euros per year over more traditional CO<sub>2</sub> systems, delivering not only efficiency gains but also improved controls," Kolster explained.

“ A major focus is the creation of smarter stores that optimise their use of energy, help reduce food wastage and manage environmental impact, and which are more sustainable ”





### Intelligent refrigerant monitoring = refrigerant leak predictions

“Low refrigerant levels can cause ‘flash gas’ scenarios, where the opening of the valve lets in gas as well as the liquid. Because gas is less efficient at cooling than liquid, the opening degree increases. By using intelligent refrigerant monitoring, stores are able to establish a baseline for each case, which is then monitored independently, and a detection algorithm will trigger an alarm for each case,” he stated.

“The main benefits of intelligent refrigerant monitoring are early warnings of refrigerant leaks, and the ability to store logbook files and visualise data. The ability to predict leaks sooner brings with it the added advantages of greater equipment longevity, less spend on refrigerant refills, and a more efficient system, which uses less power.”

Kolster then cited the example of a French Danfoss customer that is now able to spot leaks three to four weeks ahead of traditional detection systems, allowing the organisation to top up refrigerants ahead of time and run more efficiently.

### Heat recovery deals with heat demand

“Heat recovered from a CO<sub>2</sub> refrigeration system is able to cover between 30 and 50 percent of heating demand within a store, without raising discharge pressures. Essentially, heat is recovered from refrigeration and can be used within the store itself, for space heating or hot tap water, or perhaps within a microgrid, like a shopping centre.

“We have worked with a Danish supermarket that is now able to fulfil 95 percent of heating demand from its own cooling display cases. Surplus heat in peak periods is fed into the district heating network and can heat up to 15 households within the neighbourhood.”

### From energy efficiency to digital energy optimisation

“There is intense pressure on operating margins across the board, and the digitalisation of operations within stores can help them to leverage newer

## 5 ways to maximize efficiency with Smart Store solutions

Danfoss Smart Store solutions help build the supermarkets of tomorrow by reducing costs, minimizing environmental impact, and finding a competitive advantage, while safeguarding food safety.



technologies and trends such as solar photovoltaic (PV) technology, e-mobility, blockchain, load shifting and more. In another real-world example, German supermarket Aktiv & Irma was able to use digitalisation and automation to reduce peak energy costs, using a combination of

battery and cooling systems to reduce peaks (up to 40kW) to save 15 percent on annual energy costs,” Kolster said.

### Maintaining operational efficiency

Automatic and remote monitoring services can deliver cost savings through performance optimisation, reduced energy consumption, and fewer service calls, he added.

“By optimising your entire store, through asset management, energy efficiencies, controls and alarms (for instance a high temperature alarm in a perishables case) and analysis to managed services, the advantages can include a lower cost of ownership, full transparency of assets and 24x7x365 alarm management.

“We saw quantifiable results from a Swedish food giant that recently rolled out the Danfoss monitoring and management solution across its entire supermarket chain. The company is already seeing a number of performance and efficiency benefits, including enhanced reporting and control; energy savings of between 400 to 500 kWh per store on a daily basis, equating to a daily energy saving of between 60 and 75 Euros per store; a reduction in service call outs of around 50 percent; and a project return on investment (ROI) of between two to three months.

“And we’re certain that tomorrow’s smart store will be able to run with even greater efficiencies,” Kolster continued.

“If we had to look into a crystal ball, future solutions will be even more proactive and automated, paving the way for predictive analytics and self-diagnosing/ self-fixing systems.”

Danfoss has assisted the food retail business sector for many years, working with hundreds of food retail chains worldwide in more than 60 countries since the company was originally set up as “Dansk Køleautomatik og Apparatfabrik” in 1933.

For more information on Danfoss and its solutions visit [www.danfoss.com](http://www.danfoss.com)

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### Monitoring and management

Automatic and remote monitoring services deliver cost savings through performance optimization, reduced energy consumption, and fewer service calls.

**Technologies:**

- Danfoss Enterprise Services
- Case-to-cloud connectivity
- ADAP-KOOL® System Manager

**Benefits:**

- Lowest total cost of ownership
- Full transparency of all relevant assets across Danfoss and non-Danfoss controlled stores
- 24/7/365 alarm management

Up to  
**30%**  
reduction in  
service calls



### Case control

Case controls boost refrigeration efficiency by balancing capacity and demand. This secures food safety without wasting energy on unnecessary cooling output.

**Technologies:**

- ADAP-KOOL® case control solutions
- Adaptive superheat
- Commissioning and service smartphone app

**Benefits:**

- Save energy without compromising food safety
- Connected solutions for optimum efficiency
- Save time during commissioning and service

Up to  
**12%**  
energy savings  
compared to other  
EEV technologies



### Sustainable refrigeration

CO<sub>2</sub> refrigeration has developed tremendously over the last 10 years and is rapidly becoming the preferred refrigerant in food retail applications. Thanks to our new technologies, efficient CO<sub>2</sub> solutions are available for all climates and store sizes.

**Technologies:**

- Multi Ejector Solution™
- Pack control solutions for small to large plants
- CO<sub>2</sub> Adaptive Liquid Management

**Benefits:**

- Keeping up with new regulations on refrigerants
- Energy-efficient CO<sub>2</sub> refrigeration in all climates
- Optimum pack control

More than  
**30%**  
reduction of  
carbon footprint  
on store level



### HVAC integration

Harness the benefits of integrated refrigeration, heating, air conditioning, and ventilation solutions.

**Technologies:**

- Heat recovery
- Multi-pack systems
- Danfoss Turbocor® for large plants

**Benefits:**

- Reduce complexity
- Recovered heat can be used for own heating purposes or sold to other premises
- One system for all your heating, cooling, and A/C needs

**90%**  
reduction in  
your heating  
costs



### Smart energy

Smart energy can turn traditional supermarkets into the supermarkets of tomorrow by taking advantage of renewable sources, energy storage, and arbitrage.

**Technologies:**

- Solar energy
- Demand response
- Car charging
- Electric and thermal storage

**Benefits:**

- Cut your energy costs
- Offer car charging to customers
- Become an energy producer
- Strengthen your green profile

Take a step  
towards a  
**Zero**  
energy store

Every day, we are dedicated to making your supermarket just a little smarter.

Graphics courtesy of: Danfoss

SR 