

SUPERMARKET & RETAILER



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ISSUE 10, 2023 www.supermarket.co.za

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Chilling success ...

Navigating the Supply Chain & Logistics

Embracing the new era of stokvels ...

Harmonising tradition with technology

Chicken à la King ...

Poultry is popular, but in the midst of a challenging landscape

Kaufland Hypermarkets ...

Everyday low prices and loyalty cards



NOTICE OF THE 2023 ANNUAL GENERAL MEETING

The Wholesale and Retail Sector Education and Training Authority (W&RSETA) hereby gives notice to its constituent organised employers, organised labour, community-based organisations and other key stakeholders within the Wholesale and Retail Sector for the 2023 Annual General Meeting (AGM). The AGM will be convened in accordance with clause 15 (1) (c) (d) of the W&RSETA Constitution.

The AGM will consider and adopt the following mandatory documents:

- Audited Annual Financial Statements of the Accounting Authority for 2022/2023
- Annual Report of the Accounting Authority's affairs for 2022/2023
- Report of the Auditor-General on the Accounting Authority for 2022/2023
- The W&RSETA Strategic Plan (2020/2021 – 2024/2025), Annual Performance Plan and Budget (2023/2024) for recommendation and approval by the Director-General of the Department of Higher Education and Training.

The AGM will be convened as follows:

DATE: 23 November 2023

VENUE: Premier Hotel Midrand
(187 3rd Road, Halfway Gardens, Midrand Gauteng)

TIME: 16H00 for 17H00

REGISTRATION: 16H00

RSVP by 13 November 2023 at events@wrseta.org.za



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FEATURES

Image by courtesy of www.mmh.com/

Navigating the Supply Chain & Logistics

The cold chain is among the harshest environments in the industry. It means ensuring customers get their goods in the best possible condition, especially perishable ones. Retailers gain a significant competitive advantage by continuously investing in the logistical and technological systems that keep temperature-sensitive products fresh – from production to the consumer’s hands.



Image: <https://techbuild.africa/>

Embracing the new era of Stokvels

With the advent of digital tools and platforms, stokvels are finding new ways to simplify their operations, improve transparency, and adapt to the evolving needs of their members. This shift towards the digital age is poised to profoundly impact how stokvels function and benefit their participants.

Chicken à la King

The popularity of poultry looks set to stay, and grow, but there’s no denying the local poultry

Contents



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industry in South Africa is facing a rather sombre current landscape and a challenging future, at least in the short-term.

The question is, can local poultry producers weather the storm? Retailers need to ask themselves how they can help consumers, support local producers, and keep their own heads above water.

Collaborative Category Management

This is the process of bundling similar products into a singular category, or business unit. Then procurement, merchandising, sales and other retail efforts are addressed in the category as a whole to improve customer experience and drive business efficiencies.

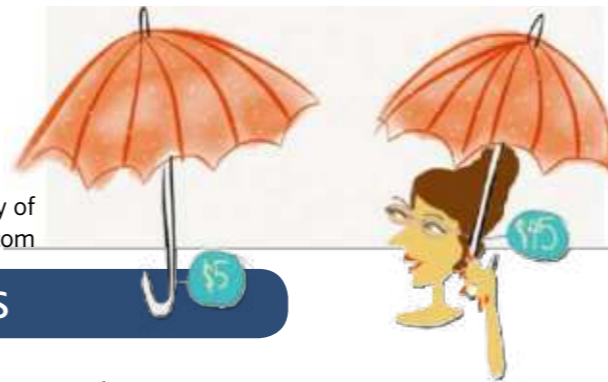


Image courtesy of www.adrtoolbox.com

COLUMNS

Delight your customers

This time Aki Kalliatakis delves into the Endowment Effect which describes a circumstance in which an individual places a higher value on an object that they already own than the value of the exact same object that they do not own.



STOREWATCH

Kaufland Hypermarkets in Europe

This German Group, with its 575 000 employees, oversaw a total of 13 700 retail points of sale (400 more than the preceding year), including over 1 500 hypermarkets under the Kaufland brand in Germany and Eastern Europe (Croatia, Czech Republic, Slovakia, Poland, Romania, Bulgaria, and Moldova).

NEWS

Changing shopping habits of SA consumers

NIQ’s Mid-year Consumer Outlook 2023 has found 99% of South African consumers have changed the way they shop for FMCG and have adopted a range of strategies to manage their spending.

Black Friday tips

Checking out the Black Friday phenomenon and how to play the game.

The CGSO celebrates its 10th birthday

Over 10 000 complaints closed ... R12.9 million recovered for consumers.



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Stronger together: A triumph of unity



Helen Maister

In the radiant aftermath of our Rugby World Cup triumph, the nation held its breath through four fiercely contested games, the last three won by a mere point. With hearts swelling with pride, we now welcome the cherished cup back to our shores. This victory paints a picture seldom seen

since 2019 – a united South Africa, an unbreakable nation. The Tom Curry ‘Wit kant’ saga only brought us closer when the UK press unjustly targeted Bongsi Mbonambi’s unwavering spirit.

In the sincere words of our captain, Siya Kolisi, “Our country goes through such a lot. We are bearing that hope that they have.” This victory shines as a beacon, spreading hope and inspiration across all walks of life, reminding us that we can forge a future as one strong, harmonious nation. May this newfound unity stand the test of time, a testament to our diverse strength and resilient spirit.

Keeping it cold in the Supply Chain

In today’s highly competitive retail world, success is not just about having the trendiest products or the slickest marketing campaigns. It also means ensuring customers get their goods in the best possible condition, especially perishable ones. Retailers increasingly realise that to stay competitive, they must improve their Cold Chains. They gain a significant competitive advantage by continuously investing in the logistical and technological systems that keep temperature sensitive products fresh – from production to the consumer’s hands. Not only can they market their commitment to product quality and safety – attracting discerning consumers willing to pay a premium for peace of mind – but also, efficient Cold Chains reduce operational costs.

Tradition & technology: The new era of Stokvels

In recent years, digital technology has begun reshaping the landscape of traditional stokvels, bringing about significant changes. Deep-rooted in South African culture, these community-based savings clubs have long thrived on trust and shared financial goals. With the advent of digital tools and platforms, stokvels are finding new ways to simplify their operations, improve transparency and adapt to the evolving needs of their members. This shift towards the digital age is poised to profoundly impact how stokvels

function and benefit their participants. Palesa Lengolo, an author and stokvel expert, emphasises that one should consider the influence of stokvels in the retail sector, as they contribute to local economies substantially. She says the regular pooling of funds by stokvel members leads to a significant increase in purchasing power, which can, in turn, bolster local retail sales.

Chicken à la King: Poultry is more popular than ever in the midst of a challenging landscape

Due to its ability to be paired with many other foods, nutritional benefits, the ease with which it can be prepared and cooked and – until recently – affordability, chicken is the most popular meat by far in South Africa. It provides a versatile base for menu preparation, can be stretched by adding other ingredients and provides a lean, filling, high-quality protein. According to the South African Poultry Industry (SAPA), the poultry industry is the largest single contributor to the agricultural sector in South Africa. The popularity of poultry looks set to stay and grow, but there’s no denying the local poultry industry in South Africa is facing a rather sombre current landscape – and a challenging future, at least in the short-term. The question is, can local poultry producers weather the storm? Meanwhile, retailers need to ask themselves how they can help consumers, support local producers and keep their own heads above water.

Helen Maister

Helen Maister



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Let them stroke it a bit

This is the next article in a series on how behavioural economics and 'being human' affects your business.

Aki Kalliatakis

aki@leadershiplaunchpad.co.za

The car salesman shared one of his favourite tips with me a while back. "Most customers will just walk past a car and half-listen to what I say," he said. "But at some point they stop, and then put their hands on the car, and with a little bit of luck, they will even start stroking it. That's when I know it's time to go in for the kill."

It makes sense, doesn't it? If you or I like something, we tend to caress it.

Let's pretend to move another 20 minutes into the future with the salesman and his customer. The time comes when they start to discuss what the trade-in value is for the used car the customer owns. It may be that the customer has owned it for many years, lovingly taken care of it, had it fixed, and understands what that squeaky noise is coming from the boot. He may nostalgically remember back to all the good times he had with his family in the car.

And then when he hears that the trade-in offered is R35 000, he shows his indignant shock. "No way!" he says to himself. "This car must be worth a lot more," and he walks away.

ENDOWMENT effect



The endowment effect

The endowment effect describes a circumstance in which an individual places a higher value on an object that they already own than the value they would place on that same object if they did not own it. This type of behaviour is typically triggered with items that have an emotional or symbolic significance to the individual. However, it can also occur merely because the individual possesses the object in question.

When he gets home, he looks it up ... and discovers that the car salesman was spot on. He shakes his head in disbelief.

This can also be explained by what psychologists call 'The Endowment Effect'. The endowment effect is the emotional bias that causes customers to

value an object they own for much higher, and almost always more irrationally, than its market value, and this is particularly true when that item has an emotional or symbolic significance.

How can you use the endowment effect and try to take advantage of this cognitive

bias? You can reverse engineer it by finding ways to get customers to value something more because it's

'mine'. The moment the car buyer pauses and puts his hand on the car he favours, it shows that ownership.

But what else?

If you have an app that customers can use to do their shopping, it's almost essential to use their name as quickly and as boldly as possible. Amazon does it: as I click into their website, the first thing my eyes do is go to the top right corner to see. "Hello, Aki." In addition, it's an acknowledgement that I'm more than just another 'valuable customer' and is also reassuring knowing that I've come back to the right place.

The same effect happens when you get onto Netflix and some other websites. Sadly, not one of my retail apps on my phone, not even my favourite, actually copies this powerful strategy. The closest is

a statement which says, "deliver to 99 Mystreet address." It's a wasted opportunity.



Images courtesy of www.starbucks.co.za

Starbucks does it by writing your name on a cup. With most other fast-food places where customers have to wait – even

banks, airlines and many

other businesses

– at most you

may get a receipt number shouted out, or, even worse,

displayed on a screen.

You may remember

that one of the most successful Coca Cola

promotions ever was when they printed Coke

cans with the most

popular first names in every country. At some

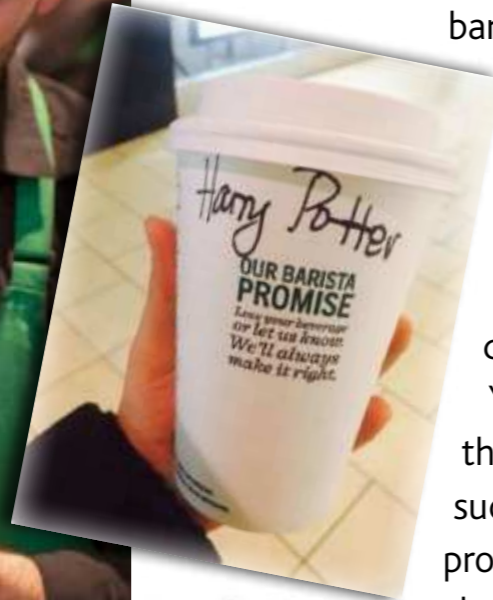
point there were

even children's books that you

could order

printed with

your children's names in them.



Share a Coke with...

Image courtesy of https://cocacolaunited.com

So putting customers' names onto something really appeals to them. Using their names in any context make a real difference ... **Hint:** you can easily find it on their loyalty card or credit card slip.

But there are other more subtle ways of creating that same sense of ownership. Let customers make their mark by being part of the design and/or creation process.

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It's been a few years since I last saw this, but restaurants used to ask customers to put a message and sign their walls. In order to raise funds at my son's school, parents could buy a brick (or many) with their names engraved on each brick. Spotify lets you put your own unique playlist together.

Nike lets you design your own shoe if you want to, and even take it one step further by inviting some customers to 'Nike by You' workshops so they can tell their own stories in shoe designs.

Indeed, any tactics that help customers feel that you have customised the experience just for them (think of a personal trainer, or a doctor, for example) can have a really positive impact.

Another technique used to create ownership by many tech companies is the free-trial strategy in which customers can

test drive a piece of software for a few weeks or a month before they make the decision to buy. That's very powerful, and I do also see some retailers giving away free samples occasionally – although far more rarely today than in the past.

And how well are you using your loyalty programme to ensure that your customers

feel part of something bigger? In most businesses, the focus is on points and rewards, but we are missing a huge psychological opportunity to make

Image courtesy of www.nike.com/za/nike-by-you



Image courtesy of https://appsero.com



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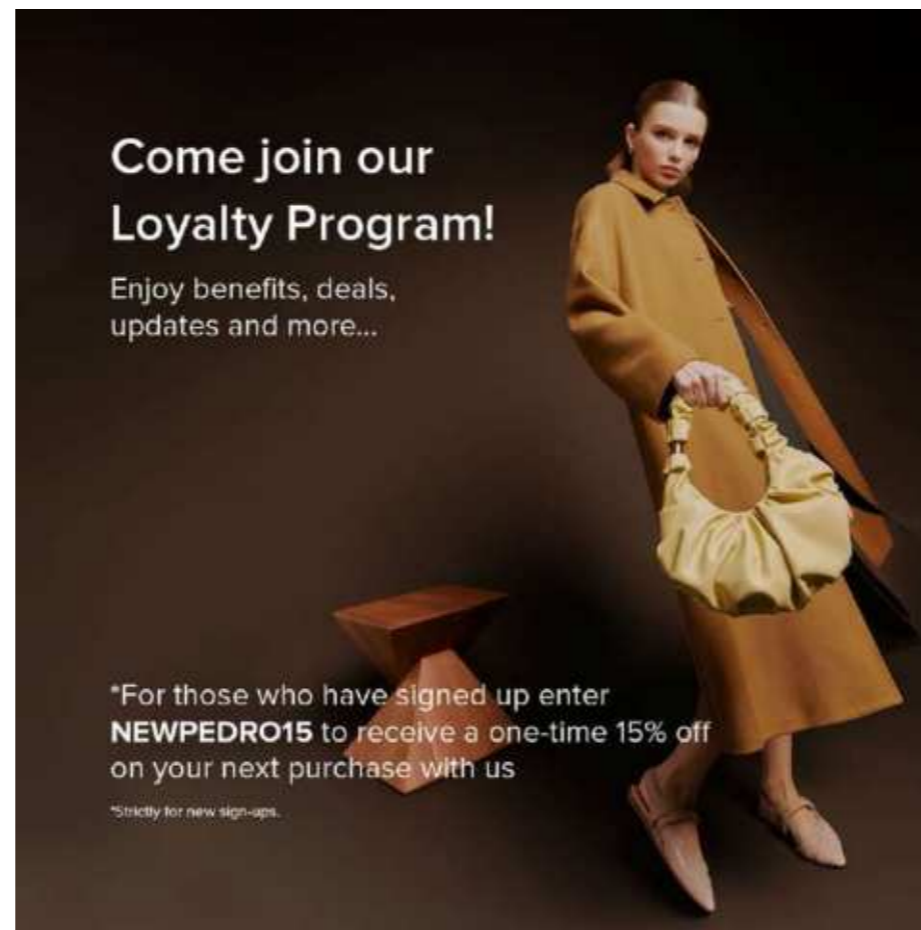
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customers feel special. Please don't get me wrong. I love it that my favourite coffee chain in SA gives me free coffee after a few purchases.

But if you use your loyalty programme as a member's club with special and exclusive privileges, sales preview days, events that not everyone qualifies for, and so on, you have already made a good start. And then when you start using the information collected to proactively create true loyalty to your brand, no competitor will ever be able to persuade them to leave.

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Image courtesy of www.pedroshoes.com

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offer and create loyalty in your customers, help them feel like it's already theirs. Find innovative ways to create a sense of ownership, to leave their mark behind, and to make them feel important.

And if you see them lovingly stroking a product in your store, you better get there as quickly as you can because they are as good as ready to take out their credit cards. **SR**



Aki Kalliatakis is the managing partner of The Leadership LaunchPad, a company dedicated to helping clients become more customer driven. He can be contacted at +27 (0) 83 379 3466, or via the website at www.leadershiplaunchpad.co.za



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A trusted source of retail information for over 65 years, our magazine informs and empowers retail business owners to grow whilst tackling current industry topics.

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Chilling success

... Navigating the cold chain

In today's highly competitive retail world, success is not just about having the trendiest products or the slickest marketing campaigns. It also means ensuring customers get their goods in the best possible condition, especially perishable ones. Retailers increasingly realise that to stay competitive, they must improve their cold chains. They gain a significant competitive advantage by continuously investing in the logistical and technological systems that keep temperature-sensitive products fresh – from production to the consumer's hands. Not only can they market their commitment to product quality and safety, attracting discerning consumers willing to pay a premium for peace of mind, but also, efficient cold chains reduce operational costs.

One of the most significant factors driving the need for improved cold chains has been the rise in demand for temperature-sensitive products. Consumers are increasingly seeking fresh and frozen foods, pharmaceuticals, cosmetics, and electronics that require controlled temperatures

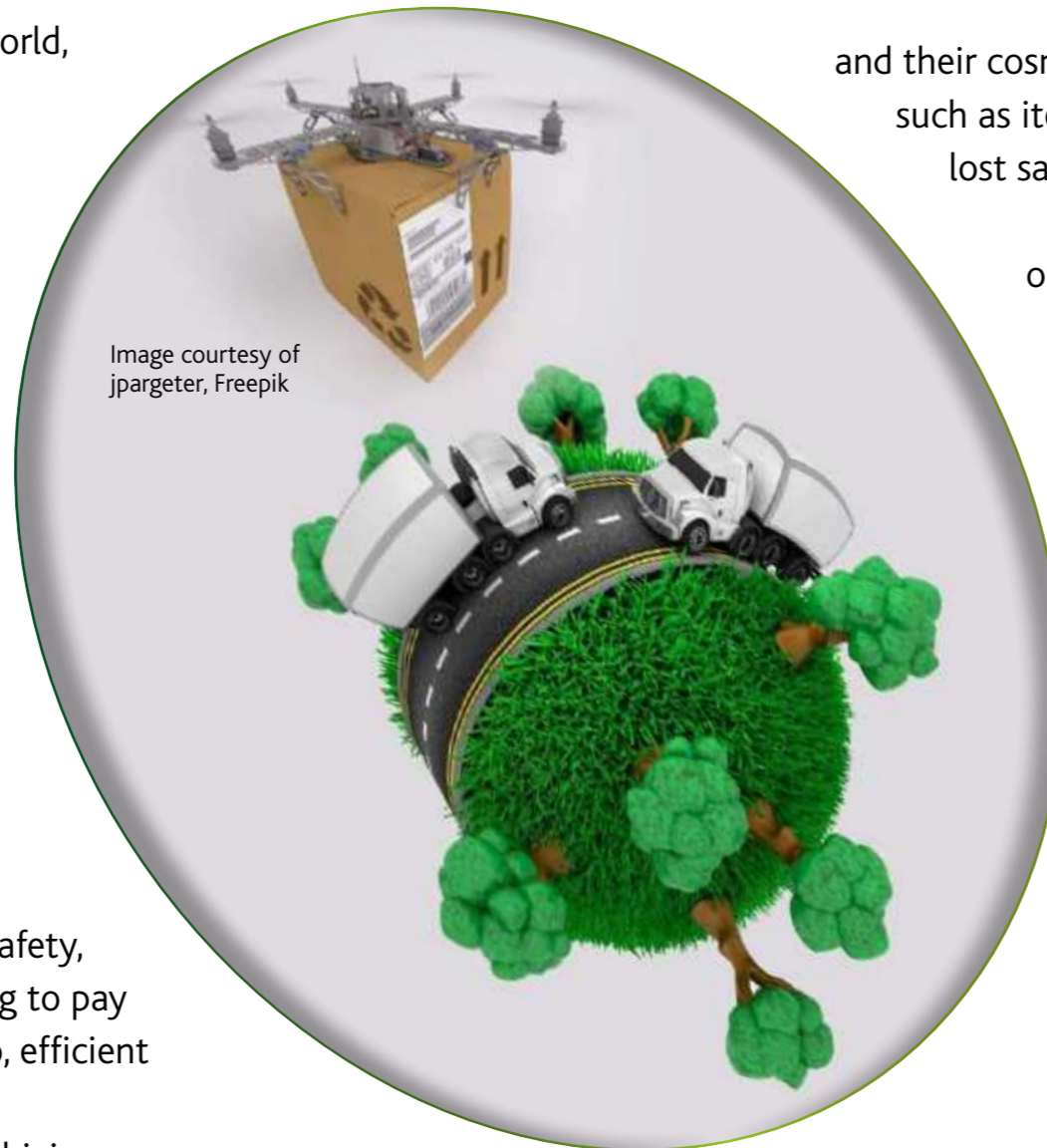


Image courtesy of jpargeter, Freepik

during storage and transportation. Customers have become more accustomed to convenience and quality, and their expectations for products' freshness are higher than ever. They expect their groceries to be crisp, their medications potent,

and their cosmetics unspoiled. Any deviation from this standard, such as items arriving partially thawed or spoiled, can result in lost sales and severe damage to a retailer's reputation.

The cold chain, however, encompasses a complex series of steps, from production to delivery. As Professor Rose Luke from the University of Johannesburg's Faculty of Transport and Supply Chain Management points out, maintaining a consistent temperature throughout the supply chain is the primary challenge. This becomes particularly tricky when multiple parties are involved, sometimes covering significant distances and crossing borders. She says ...

“The key here is making sure that everyone involved is in sync, that procedures match up well, and that responsibilities are clearly defined – especially when goods change hands between different stages.”



Professor Rose Luke

“It's also essential to have complete traceability and accountability throughout the chain. Achieving this level of integration in the supply chain can be quite a challenge.”



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Shatho Manyanda

Shatho Manyanda, General Manager of Table Bay Cold Storage (TBCS), says specific measures are implemented at each stage of the cold chain process to ensure goods remain within the required temperature range.

“Remember, the shelf life of perishable products is maintained by storing products at the correct temperature.”

Image courtesy of Shamsuddin Habib, Pexels



It is crucial for this process to be unbroken to preserve the freshness, quality and safety of products – particularly perishables like dairy, meat, seafood, and fresh produce. The retail sector relies heavily on the cold chain to meet customer expectations. Nowadays, consumers demand not only freshness, but also trust in the safety of their purchases. Cold chain logistics helps maintain

the quality and safety of perishable products. By keeping products at the right temperature, cold chain logistics can extend the shelf life of perishable goods. This allows retailers to reduce product waste and manage inventory more efficiently, ultimately saving costs.



Henry Smith

Cold chain processes have found extensive use across various sectors, explains Henry Smith, Fleet Sales Director at MiX Telematics Africa. “The cold chain process is a complex and highly controlled system encompassing various stages, including storage, transportation, monitoring and delivery. It relies on specialised equipment, such as refrigerated vehicles and temperature monitoring

systems, to ensure that products always remain within the specified temperature range.”

Bernard Henning, Manager of Cold Chain Protocols and Standards at the Perishable Products Export Control Board (PPECB), highlights the rigorous protocols to minimise temperature fluctuations and preserve the quality of goods from distribution centres to store freezers. “The PPEC Act 9 and Regulation R917 of 1983 establish comprehensive control and management of all South Africa’s perishable product export processes.

“Anyone involved in the cold chain value stream must adhere to this Act. Together with the Regulation, it specifies the rules that must be followed at each stage of the chain.”



The cold chain is among the harshest environments in the industry, and mechanical and manual processes should be designed accordingly. To keep workers warm and happy, reduce energy and increase productivity, warehouses are investing in two kinds of automated storage – automated storage and retrieval systems.

Image & caption by courtesy of www.mmh.com/



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The South African Bureau of Standards (SABS) is pivotal in establishing national quality standards. Concurrently, the Department of Health and the National Regulator for Compulsory Specifications (NRCS) supervise food safety regulations. This includes oversight of storage temperature requirements and the enforcement of hygiene standards.

Image: www.apifirst.in



Hazard Analysis and Critical Control Points

Ensuring compliance with cold chain management, vehicle standards, transportation permits, and meticulous record-keeping is paramount. Adopting Hazard Analysis and Critical Control Points (HACCP) principles is widespread, and individuals responsible for overseeing temperature-sensitive goods typically need training and certification. In some sectors, like pharmaceuticals and healthcare, there may be specialised regulations and quality standards specific to their products. Therefore, personnel handling and transporting such goods often undergo training and certification to ensure they have a thorough grasp of and adhere to proper handling procedures.

Continuous research and development efforts are dedicated to benchmarking the best cold chain practices, ensuring South Africa remains competitive with other countries regarding cold chain logistics.

Image by courtesy of www.corporate.carrier.com



Enhancing retail success through cold chain logistics

“Transporting temperature-sensitive goods poses several challenges that demand meticulous planning, advanced temperature control systems, employee training, and vigilant monitoring throughout the entire transportation process to safeguard the quality and safety of these goods,” explains Smith.

“Maintaining a consistent temperature range, especially when dealing with a broad spectrum from +4 degrees to -25 degrees Celsius, is a significant challenge. Temperature fluctuations and the frequency of stops along a transportation route can jeopardise the condition of the transported goods. External heat can infiltrate whenever trailer doors are left open for extended periods, causing the internal temperature to rise. This can become especially problematic when attempting to keep goods consistently cold or frozen. It is therefore imperative to adequately maintain the temperature during transportation to ensure goods reach their

desired temperature upon arrival, potentially leading to spoilage or safety concerns. Additionally, human error plays a critical role; drivers may forget to re-set cooling units to the required temperature settings after opening the trailer doors, or during rest stops. Such oversights can lead to products freezing or thawing, resulting in significant financial losses and waste.”



Image courtesy of <https://adaptgroup.com>

Anthony Drimen, CEO of ADAPT Cold Logistics, highlights that ensuring the integrity of the cold chain remains the paramount challenge for all stakeholders. “Over the past three years, we have observed retailers and logistics companies increasingly investing in rigid plastic Cold Cabinets,





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- Deliver timely notifications to on-site team members, along with actionable instructions to promptly resolve unexpected matters.

Enable Intelligent Task Management Processes



01

Prioritise the most impactful corporate-generated and real time system-generated tasks.

02

Optimise workflows to intelligently direct tasks evenly and equitably across available associates.

03

Improve field management's live-of-sight into store-level execution, giving the ability to manage by exception.

Image courtesy of <https://adaptgroup.com>



a significant upgrade from the previous fibreglass thermotainer,” he notes. “Cold Cabinets are extensively used worldwide and offer numerous advantages, including flexibility, optimised vehicle packing, improved fuel efficiency, and enhanced eco-sustainability.”

“These Cold Cabinets excel in temperature control due to the materials used in their construction and functional design, utilising LLDPE Polyethylene and Polyurethane insulation. In certain cases, these cabinets allow logistics and retail companies to temporarily or fully turn off their air-conditioning systems, running temperature-sensitive products in an ‘ambient’ vehicle. This approach can save 30% to 40% in fuel costs and significantly reduce

CO₂ emissions. The ability to optimise vehicle packing by using different cabinets with varying temperature requirements within the same vehicle reduces the number of vehicles on the road, ultimately minimising fuel emissions.”

Brian Mudhokwani, Chief Operating Officer (COO) of ISB Optimus, says another persistent challenge in the cold chain industry is load shedding, which significantly impacts the energy supply essential for preserving temperature-sensitive goods. He explains ...

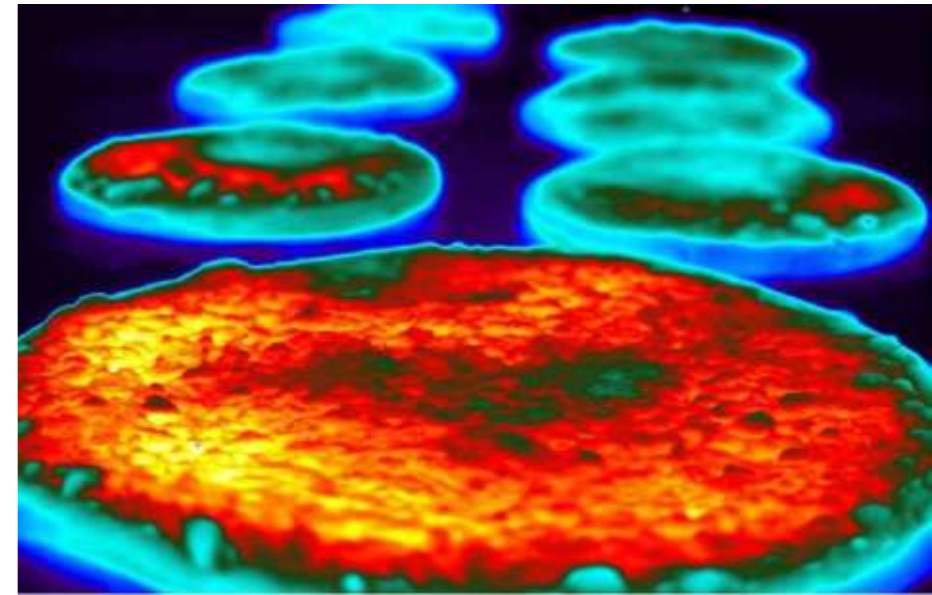
“Power outages pose a constant threat of temperature fluctuations that could jeopardise the quality of products.



Brian Mudhokwani

We must rely on back-up generators and energy-efficient technologies to address this issue to ensure product integrity.”

Michael Corney, Business Manager of Indirect Sales at Isuzu Motors South Africa, raises another issue related to load shedding. “It also impacts data monitoring, especially when cell phone towers are offline. Currently, there’s a lack of units or loggers for real-time monitoring, and there’s a pressing need for a solution in this field. Effective temperature monitoring is crucial in the cold chain.”



In the food industry, it’s essential to carefully control the temperature of perishable goods throughout production, transportation, storage, and sales. Food processors need tools that automate crucial operations in a way that helps minimize human error while holding down costs. Using thermal imaging cameras, you can make automated non-contact temperature measurements in many food processing applications.

Image and caption by courtesy of www.flir.eu

Given that even brief temperature fluctuations can harm the quality and shelf life of perishable items, it becomes crucial for retailers to consider investing in alternative or backup power solutions, adds Smith. “These additional expenses can strain budgets and erode profitability, but power outages also complicate managing inventory, especially for temperature-sensitive goods.”

“Businesses may find it necessary to reduce their stock levels to minimise the risk of spoilage during power interruptions. However, this action can result in supply shortages and adversely affect customer satisfaction. Furthermore, the road delays caused by load shedding can disrupt supply chains, leading to missed delivery deadlines and potential financial penalties.”



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The transformative power of technology

The growing reliance on technology has expedited retailers' digital transformation, directly impacting their success and long-term viability. Several innovative technologies and solutions have been embraced in response to the challenges of transporting temperature-sensitive goods while maintaining their quality and integrity. These advancements are especially vital in a country such as South Africa, with diverse climate conditions and infrastructure limitations.

Digital platforms have fostered collaborative partnerships between logistics providers, suppliers, and retailers within the cold chain. These integrated supply chain solutions are instrumental in reducing inefficiencies and enhancing overall performance, guaranteeing that goods reach their destinations in optimal condition.

The widespread use of advanced monitoring systems has been instrumental in tracking temperature conditions throughout the transportation process. Offering real-time data and prompt alerts in case of deviations from the required temperature range is an invaluable proactive approach to preventing spoilage and ensuring that goods consistently stay within the specified temperature parameters.

In regions plagued by unreliable power supply, there's a growing adoption of alternative energy sources, such as solar or battery-powered cooling units. The Internet of Things (IoT) also plays a pivotal role in transporting temperature-sensitive goods. Sensors integrated into trucks, containers,



Research and development includes efforts to advance more sustainable refrigeration solutions, develop electric cold chain technologies and introduce digital solutions that improve cold chain connectivity, visibility and effectiveness. This includes engineless, all-electric refrigeration systems for trucks, trailers and vans, and electric comfort solutions. www.corporate.carrier.com/healthycoldchain/

and storage facilities continuously monitor various parameters, including temperature and humidity.

Gerhard van Zyl, Group Operations Director at Professional Risk and Asset Management, says ...



Gerhard van Zyl

“Innovation is ushering in changes in various aspects, from the development of new foam materials for vehicle boxes to the introduction of temperature-controlled packages, including both plate and electric variants.”

He emphasises the high-risk nature of temperature-controlled products, necessitating continuous management oversight.

In practical terms, says Luke, it involves establishing robust processes to address every conceivable disruption scenario. Additionally, investing in top-tier refrigeration technology and rigorously adhering to operating and maintenance protocols, is paramount.

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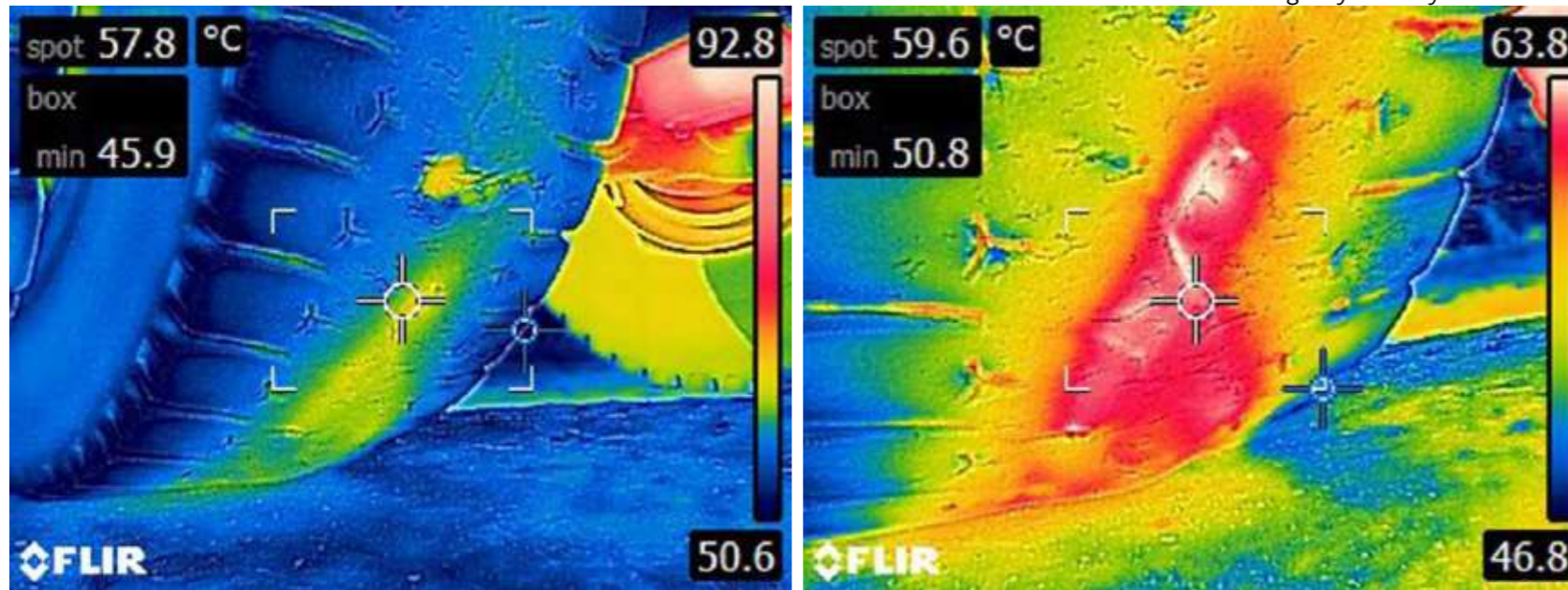
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Hot spots on tyres detected with thermal imaging.

Efficient inventory management ... Maximising space and resources

Manyanda points out that various inventory management techniques and strategies are employed to optimise the availability of temperature-sensitive goods, minimise waste, and ensure product quality once they reach the store. One commonly used method is the just-in-time (JIT) inventory system, which reduces the time products spend in the freezer, thus cutting down on waste. With this system, retailers order goods only when there's a demand, preventing overstocking and eliminating the risk of holding excess inventory. Continuous sales monitoring enables real-time insights and the ability to forecast future needs, aiding retailers in maintaining efficient inventory levels.

Another effective strategy is the disposition method, which closely monitors inventory levels

and manages expiration dates. Retailers prominently display products with the earliest expiry dates in the front of the freezer, while those with later expiry dates are positioned toward the back. This approach allows retailers to use the products expiring soonest, to minimise losses from expired items. Additionally, retailers employ handheld scanning devices to capture barcode information and track shrinkage in real time. This technology assists in identifying slow-moving products and inventory losses, enabling retailers to monitor and pinpoint areas needing improvement and make necessary adjustments to increase product availability.

"Data has become indispensable for making real-time decisions," says Mudhokwani. "We live in an era where technology, data analytics, and interconnected business functions offer immense opportunities to optimise and streamline operations."

Future trends ... Advancements in technology and enhanced collaboration

Like any business, says Luke, cold chains will become increasingly data-driven. "The need for traceability will drive supply chain decisions. Tracking and tracing, where not already mandatory, will become so. Digitisation, blockchain, automation, connectivity and IoT will all play an increasing role."

Manyanda agrees, saying several trends and advancements can be anticipated – particularly regarding cold chain logistics. "These developments are likely to address existing challenges and improve the overall efficiency and effectiveness of the cold chain. Advanced monitoring systems and Internet of Things (IoT) technology will become more prevalent. These systems will provide real-time data on temperature, humidity, and other environmental factors to ensure the



Image by courtesy of www.flir.eu



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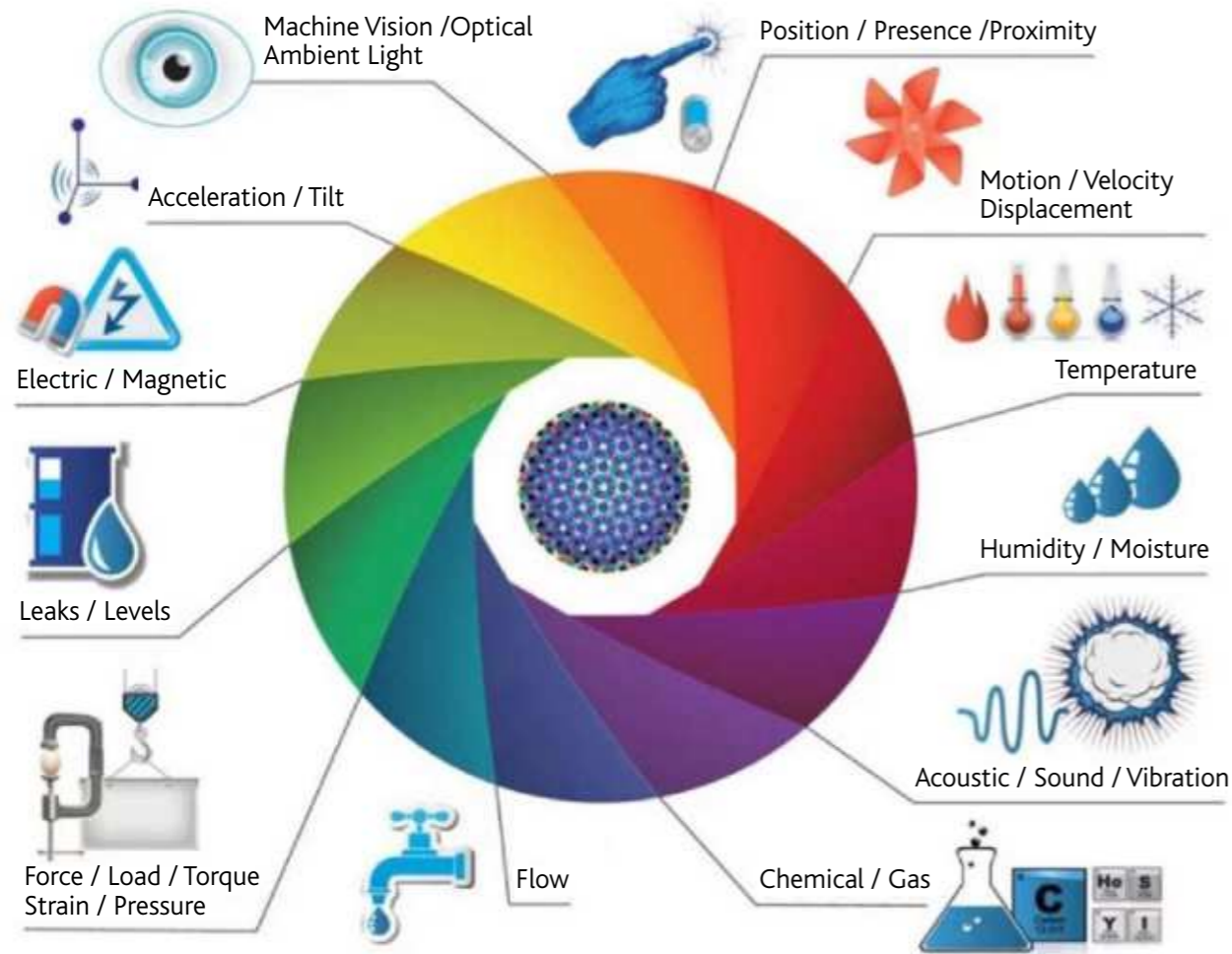
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Sensors play a variety of roles ... In addition to providing data for process control, they assist in quality assessment, asset tracking, and even worker safety. The advent of powerful, cloud-based analytical software and artificial intelligence has also allowed the use of sensor data to lower production costs through process optimisation and predictive maintenance. Once routed to the internet, sensor data can be put to a variety of uses from supply management to global coordination of production resources. Source: Postscapes: www.eetimes.eu

integrity of temperature-sensitive goods during transportation.”

He says utilising IoT devices and sensors will allow for proactive alerts and predictive analytics, enabling stakeholders to address any issues that may arise promptly.

Another trend to watch out for is that of drone delivery. “Drone technology holds significant potential for specialised logistics in South Africa. Drones can enable faster and more efficient

in accelerating retailers’ digital transformation, directly influencing their success and long-term viability. “It has fostered collaboration between retailers and their technology partners. Furthermore, AI-powered technology has proven valuable in sustainability initiatives and technological advancements, as it plays a crucial role in reducing emissions from fleet vehicles.”

In the future, more attention will be given to alternative fuel vehicles, mainly as sustainability

delivery of temperature-sensitive goods, especially in remote or hard-to-reach areas. Drone delivery can help overcome infrastructure limitations and reduce transportation time, thereby minimising the risk of temperature fluctuations and ensuring product quality.”

According to Smith, technology in transportation is advancing steadily, encompassing innovations such as the introduction of electric vehicles (EVs) and the integration of artificial intelligence (AI). This technological evolution has played a pivotal role

takes on a more prominent role, considering that electric or hybrid cars can significantly reduce carbon emissions and the environmental impact of transporting temperature-sensitive goods.

“Implementing cleaner energy solutions holds the potential not only to tackle environmental challenges, but also result in cost savings, heightened energy efficiency, and adherence to regulatory requirements,” says Manyanda. He also stresses a growing emphasis on blockchain technology ...

<https://news.mit.edu/>



“ We anticipate an increased role for blockchain in enhancing traceability and transparency within the cold chain. Through blockchain, stakeholders can securely document and trace the entire supply chain journey, encompassing critical data such as temperature records, quality control checkpoints, and compliance documentation. ”

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“This technology can effectively address issues related to traceability, product authenticity, and the establishment of trust among various supply chain collaborators.”



We're still talking about different degrees of commitment amidst a wide swath of segments within the packaging industry. But progress, no matter what it may be, is still progress. Image & caption courtesy of www.packagingstrategies.com

Retailers can also expect more emphasis on sustainable packaging to minimise waste and environmental impact. Manyanda continues ...

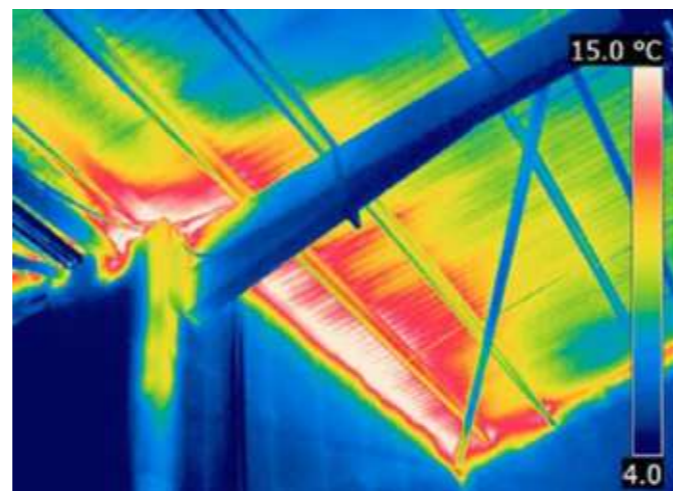
“ Biodegradable and recyclable materials will be increasingly utilised to reduce the carbon footprint associated with packaging. Innovations in packaging design and insulation materials can help maintain temperature integrity and extend product shelf life, while minimising environmental harm. ”

“These advancements and trends in specialised logistics for transporting temperature-sensitive goods in South Africa have the potential to improve operational efficiency, reduce costs and contribute to a more sustainable and reliable cold chain. By integrating these developments, stakeholders can address existing challenges, such as maintaining product quality, reducing environmental impact, and ensuring regulatory compliance. These new developments also have the potential to create more jobs.”

As the green agenda continues to gain momentum, companies will explore various options, says Smith, including looking at solar-powered refrigeration systems, particularly in light of South Africa’s energy challenges.

“Autonomous vehicles equipped with built-in temperature control systems are also gaining traction in cold chain logistics, offering precise control and efficient transportation, while reducing the potential of human error.”

But most importantly, say the experts, retailers can expect more collaboration. “Collaboration between logistics providers, suppliers, and retailers will be a key focus in efforts to streamline the cold chain process with integrated supply chain solutions to enhance efficiency. Remote temperature management and control systems enable real-time adjustments to cooling units,



Cold store insulation thermal imaging surveys are carried out during normal operations. Thermographics surveys of cold stores and freezers identifies insulation defects, water ingress within insulation and also warm air ingress into stores which can create severe problems. Thermal imaging also identifies problems within the fabric of the walls and roof.

Image & caption by courtesy of www.pixelthermographics.co.uk/



reducing the need for manual intervention and ensuring optimal conditions during transportation. Predictive analytics, driven by historical data and environmental

factors, allow logistics companies to anticipate challenges and take proactive measures to prevent temperature compromises. Anticipate a surge in advanced, real-time temperature monitoring solutions with enhanced data accuracy and supply

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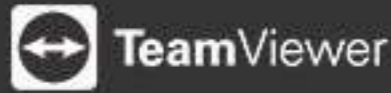
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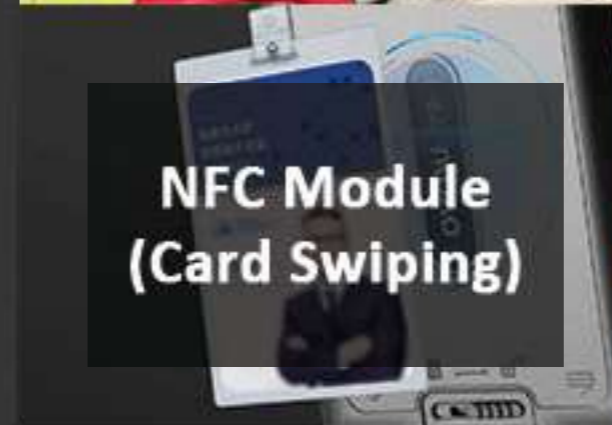
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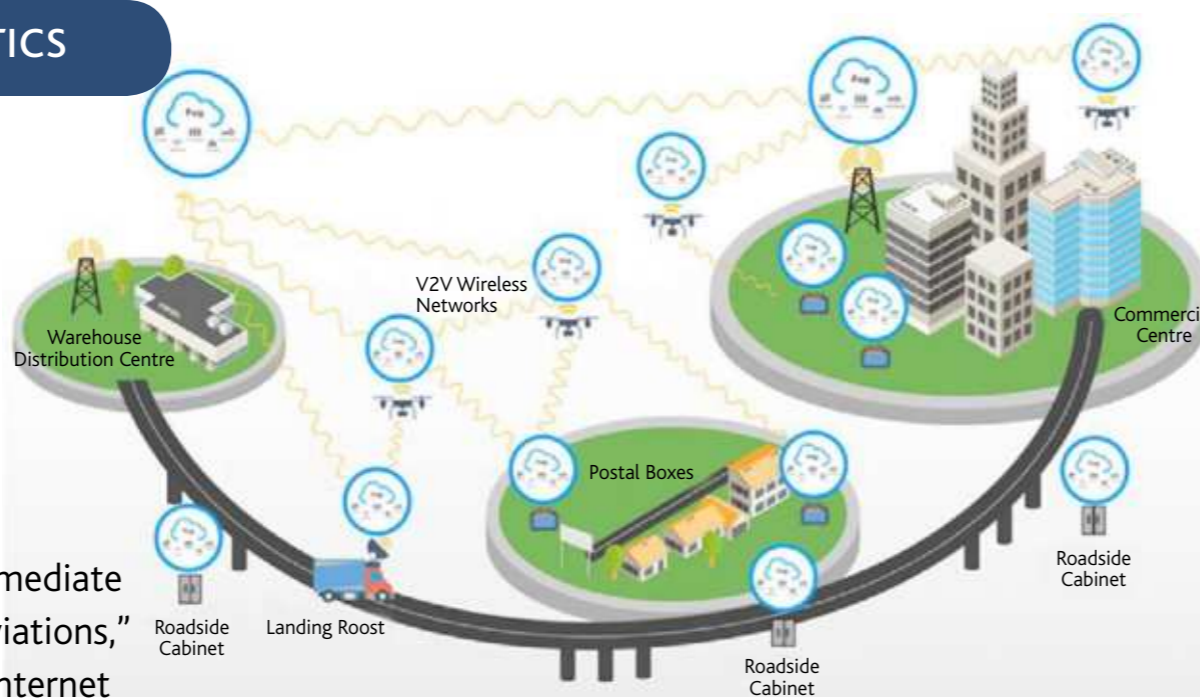
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For local deliveries, individual fog-enabled drones can depart from warehouses or trucks equipped with landing platforms. There is a constant handoff of information along the supply chain route between drones and the ground support infrastructure.

Image & caption: www.roboticstomorrow.com



chain visibility, facilitating immediate responses to temperature deviations," adds Smith. "Integrating the Internet of Things (IoT) sensors into trucks, containers, and storage facilities will also play a pivotal role, providing continuous data on temperature, humidity, and relevant parameters for optimising transportation routes and conditions.

The cooling industry increasingly embraces electric cooling units powered by the truck's power take-off driven electricity generation, reducing reliance on diesel fuel. Furthermore, major transporters have already adopted solar cooling

systems for trucks, with Shoprite leading the way in sustainability efforts since 2017, as reported by news outlets."

The retail giant continues to expand its solar-assisted trailer fleet, now operating 903 trucks and 1 360 trailers. Among these, 1 041 trailers have solar panels on their roofs to support refrigeration needs. Additionally, these solar panels are utilised to provide power for tail lifts in the non-refrigerated section of the fleet, according to Cleantechnica.

"Temperature-controlled supply chains are part of a constantly evolving landscape," says Luke. "It is an environment where staying ahead of the curve is critical for success."

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Securing success ... Strategies for achieving excellence

The experts agree that effectively navigating the complexities of South Africa’s climate when transporting temperature-sensitive goods demands a comprehensive approach that encompasses infrastructure investment, regulatory compliance, meticulous planning, and ongoing monitoring. Investing in temperature-controlled infrastructure, including refrigerated trucks, cold storage facilities, and real-time temperature-monitoring technology, is crucial to safeguard the integrity of products – especially in regions with extreme temperature variations.

Thoughtful route planning is vital, considering factors such as altitude, climate zones, and seasonal fluctuations, while staying updated with real-time weather information ensures safe transportation. Implementing real-time temperature monitoring



www.logupdateafrica.com/logistics/

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systems allows for immediate responses to deviations, and data analytics provide valuable insights into temperature trends and opportunities for supply chain enhancements.

Continual training for employees, well-defined emergency protocols, and appropriate insurance coverage further reduce risks associated with temperature-sensitive goods transportation. Collaborative partnerships with suppliers and producers, aimed at aligning temperature requirements and packaging recommendations, streamline the transportation process and

minimise temperature-related challenges.

“Also develop contingency plans to address unforeseen events or emergencies, such as power outages, extreme weather conditions, or transportation disruptions,” concludes Manyanda.

“Identify alternative transportation routes and storage facilities that can maintain the desired

temperature range in case of any disruptions in the original plan. Collaborate and work with experienced temperature-controlled logistics providers with extensive knowledge and expertise in managing the complexities of storing and transporting temperature-sensitive goods. These providers should have a well-established cold chain infrastructure, including temperature-controlled storage facilities, transportation fleets, and a robust network.” **SR**



Catherine Larkin is a communication and marketing professional, specialising in Logistics, Transport and Supply Chain. Her company, CVLC Communication, is a corporate public relations, communication, marketing and events consultancy. Its services range from full secretariat support, project management and administration,



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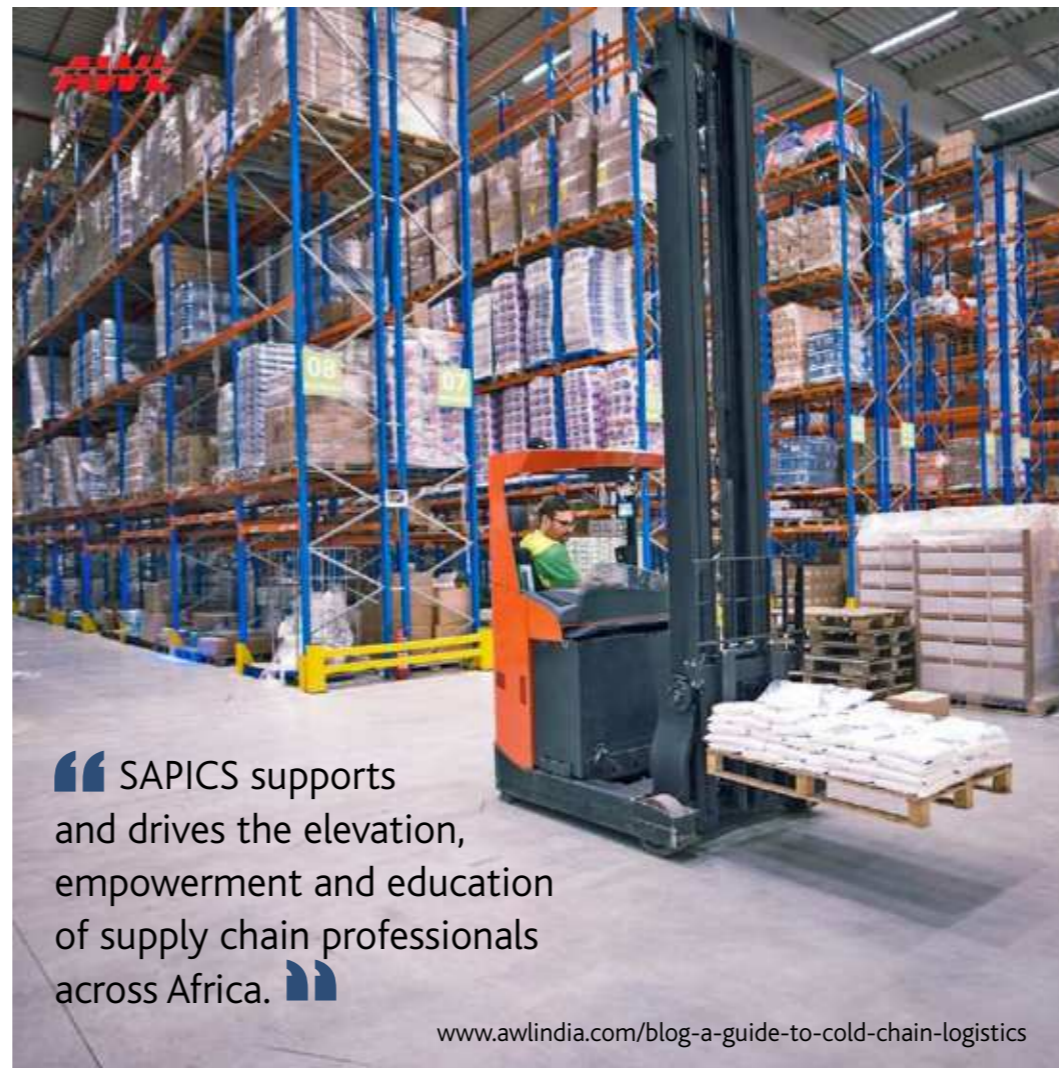
Getting the skills development basics right

The supply chain is the one function in an organisation that touches all others and supply chain optimisation can drive bottom line improvement. William Schneider, a supply chain specialist and member of the SAPICS supply chain community, says ...

“Companies lose millions of rands in their supply chains every year, but there is ample evidence to show that with properly trained and educated staff, these losses can be substantially reduced.”

SAPICS (The Professional Body for Supply Chain Management) supports and drives the elevation, empowerment and education of supply chain professionals across Africa, to address the skills deficit in the field, to build organisations' supply chain capabilities and to grow economies. There is growing recognition that effective supply chains are the heartbeat of any economy.

SAPICS offers education, training, and internationally recognised certifications via its network of Authorised Education Partners (AEPs), as well as comprehensive resources and an expansive



“SAPICS supports and drives the elevation, empowerment and education of supply chain professionals across Africa.”

www.awlindia.com/blog-a-guide-to-cold-chain-logistics

member community of individuals and businesses that share a commitment to advancing supply chain management. Among SAPICS's education

offerings are short courses that have gained recognition over the years and are increasingly sought after, particularly since the Covid-19 crisis and other disruptions highlighted the importance of supply chains to everyone. From being a field that was not well understood and sometimes undervalued, working in the supply chain profession is now something to aspire to.

SAPICS short courses are designed to help individuals and organisations to get the supply chain basics right, and also offer new entrants to the field an understanding of the diverse career opportunities and varied paths available in the supply chain sphere. These courses have been assisting companies and their employees since 1982, when the

SAPICS "Basic Stores & Stock Control" (BSSC) and "Principles Of Production & Inventory Management" (PPIM) short courses were first introduced.



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Aimed at warehouse employees, supervisors and managers

The SAPICS BSSC course is aimed at warehouse employees, supervisors and managers. It promotes stores efficiency and sound management practices. SAPICS's PPIM course provides learners with a sound understanding and base knowledge from which to advance their studies in the field of operations management. The "Basics Of Manufacturing & Operations Management" (BMOM) is a SAPICS course that offers a basic insight into production and inventory management systems and helps develop learners' inter-departmental understanding and communication.

Schneider asserts that the value of the SAPICS short courses lies in the fact that they are structured in such a way that "they prepare the learner for the challenges of the 21st century and the VUCA (volatile, uncertain, complex and ambiguous) supply chains that we are dealing with now."

In addition, the courses are designed to prepare students to advance their studies by obtaining a college or University qualification, or an international certification, he explains.

"One of the hallmarks of the SAPICS short course material is that it is constantly updated to deal with the rapid changes in the dynamic, ever-evolving supply chain field, despite the fact that the core concepts have not changed. The courses are written and presented to give the learner an insight into not only what they are doing, but perhaps more importantly, why they are doing it,"

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Mobile robots and shelving systems.

is aimed at the supervisory and management level. It is also a forerunner to obtaining the APICS supply chain qualifications.

"The BMOM is designed to give

says Schneider, who has four decades of experience in developing the skills of supply chain personnel, both through education and training and consulting in the supply chain, industrial engineering and operations and logistics management fields.

Flagship SA supply chain course

“ The SAPICS BSSC is the flagship supply chain course in South Africa. Just about every business has a warehouse facility somewhere with stock that needs to be properly managed. This programme is aimed at the team members working in the warehouse. ”

"Second in importance to the field is the PPIM," Schneider contends. "This course's primary purpose is to provide a fairly in-depth understanding of the total supply chain from the nth-tier supplier through to the nth-tier customer. This programme

those in the supply chain who are not directly involved in the warehousing discipline an insight into the profession in South Africa," Schneider expands. "This programme introduces the learner to the field of supply chain management and prepares them for the PPIM."

He says that a SAPICS short course can help a supply chain practitioner to advance in their career. "Over the years we have seen our students practice the skills and knowledge that they have learned on the programmes and they found their way up the ladder, from being an entry-level store man or operator to becoming a warehouse manager or a production manager.

"Companies that have supported the programmes and can attest to this include Mercedes Benz South Africa, Toyota, Plessey SA, Aspen Pharmacare, Transnet Rail Division, Transnet Harbours and Eskom to mention only a few," Schneider concludes. **SR**

Visit SAPICS: www.sapics.org.za/certifications-courses

Harmonising tradition with technology

Embracing the new era of stokvels

In recent years, digital technology has begun reshaping the landscape of traditional stokvels, bringing about significant changes. Deep-rooted in South African culture, these community-based savings clubs have long thrived on trust and shared financial goals. With the advent of digital tools and platforms, stokvels are finding new ways to simplify their operations, improve transparency, and adapt to the evolving needs of their members. This shift towards the digital age is poised to profoundly impact how stokvels function and benefit their participants.



Palesa Lengolo, an author and stokvel expert, emphasises that one should consider the influence of stokvels in the retail sector, as they contribute to local economies substantially. She says the regular pooling of funds by stokvel members leads to a significant increase in purchasing power, which can, in turn, bolster local retail sales.

“Supporting small businesses fosters entrepreneurship, and the consistent demand from stokvels offers retailers a reliable income source, aiding them in better planning and managing their inventory.”

https://twitter.com/pale_lengolo/status

Image courtesy of www.moneyweb.co.za/investing/stokvels



Stokvels have been a cornerstone of South African and African communities for decades. Typically consisting of family members, friends, or neighbours who come together regularly to pool their money, save, and invest collectively, the traditional model of physical meetings, handwritten records, and cash transactions is starting to undergo significant change, as the digital revolution is rapidly changing this landscape.

Lehlohonolo Ndawo, Co-founder and Managing Director of the Digital Stokvel Platform, highlights that retailers are now realising that their involvement with stokvels goes beyond simply selling products or services. It's about becoming an essential part of the stokvel community.

According to Ndawo, retailers can cultivate trust, loyalty, and a favourable reputation within the stokvel sector, by embracing the communal and social dimensions. This, in turn, leads to valuable, enduring relationships with these influential groups – ultimately benefiting both parties.

Image: www.penguinrandomhouse.co.za/

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“Retailers frequently employ unique marketing and business tactics to serve the stokvel sector, acknowledging the collective nature of stokvels and their distinct buying habits.”

Lehlohonolo Ndawo, co-founder and Managing Director of the Digital Stokvel Platform

She explains, “These strategies differ from those used for individual consumers. They may include offering bulk discounts and exclusive deals tailored to meet stokvels’ specific needs, encouraging larger quantity purchases. Additionally, some retailers establish dedicated stokvel loyalty programs that provide exclusive rewards or benefits to stokvel members, fostering regular patronage.”

Another approach involves crafting product bundles that align with stokvels’ typical goals and preferences. Some retailers also create flexible payment plans, recognising that stokvels often adhere to fixed contribution schedules. These flexible payment options may include instalment payments or specific payment intervals. Furthermore, retailers assist stokvels by offering group accounts and invoicing options, simplifying the payment process for members through consolidated invoices for their purchases.”

WHAT IS DIGITAL STOKVEL PLATFORM?

Digital Stokvel Platform is a decentralized blockchain-based app dedicated to revolutionize the way people save, invest, and achieve financial freedom. Our platform is built on the foundation of the traditional stokvel concept, digitally transforming it to empower individuals and communities worldwide.

DIGITAL STOKVEL PLATFORM
Hair Club

Club Goal: Members receive our luxury hair box. Our hair is 100% raw human hair cut straight from the donors head in their respective countries.

Embracing the power of technology

The 2023 Old Mutual Savings and Investment Monitor report underscores that stokvels’ enduring appeal is rooted in the discipline they instill in their members. Equally crucial is the affordability of the contributions they require.

According to the study, the stokvel landscape is evenly split between groups saving for a shared

objective and those where members collectively save for various personal goals. When working towards a common goal, the most prevalent reasons include covering groceries and year-end expenses. Notably, there has been a substantial uptick in stokvels saving for travel and holidays in recent years.

The study reveals no significant changes in the number of stokvels held or the monthly



<https://techbuild.africa/south-african-start-up-stokvel>

contributions made. What’s striking is that 61% of stokvel members are now part of more than one stokvel – a substantial increase compared to the 2% recorded in 2017.

Furthermore, the study discovered that 65% of stokvel members belong to at least one stokvel that provides loans to its members, while 40% are part of stokvels extending loans to the general public. Additionally, approximately 54% of members belong to at least one stokvel that utilises lending to generate income for the group.

After examining the results of its annual study, Old Mutual suggests that the perception that



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stokvels are primarily for low-income households, can be challenged. The industry is estimated to be worth around R45 to R50 billion at present, and continues to grow, with the number of stokvel groups in the country now thought to be more than 800 000.



<https://gianthyper.co.za/>

It's undeniable that stokvels have evolved both in how they are perceived and in their operational methods, says Ndawo. The rise of smartphones, mobile banking, and digital payment platforms heralds a new era, and gradually, stokvels are beginning to recognise the advantages. Members can now contribute digitally, reducing the necessity for physical meetings and cash handling. Digital records and transactions offer enhanced security, transparency, and accessibility, significantly bolstering the trust factor within these groups.

"Digital stokvel platforms are transforming how stokvels operate. This platform offers online

www.sowetanlive.co.za/business/2022-09-13-traumatic-incident-led-to-formation-of-stokvel-talk/



Valencia Kheswa at the Stokvel Talk roadshow in Vosloorus.

tools for managing contributions, investments, and payments, making it easier for members to participate and engage with retailers through digital channels. This shift toward digital platforms may have expanded the reach and influence of stokvels in the retail market," she says.

"Stokvels have increasingly integrated financial products such as savings accounts and investments into their operations."

"Digital stokvel platforms offer financial services and products directly or through partnerships with financial institutions. Retailers can tap into this trend by providing stokvel-friendly financial solutions or collaborating with digital media catering to the stokvel market. With digital stokvel platforms, retailers can facilitate online purchases and payments easier, making it more convenient for stokvels to shop digitally."

Surging adoption of digital technologies

Sifiso Nkosi, Product Growth head at FNB Cash Investments, says looking at retail brands that have successfully partnered with stokvels in the digital era, FNB has seen minimal interaction of retail brands with stokvels on a digital platform as yet. Despite the large boom of e-commerce amongst business and individual customers,

he says stokvel groups, mostly grocery stokvels, continue to use physical stores for bulk purchases – with a very low number of e-commerce transactions.

However, the financial services industry has seen an aggressive use of digital platforms by stokvels, with the Covid-19 pandemic proving an unplanned yet very effective tipping point. During the physical lockdown in 2020, stokvels could not make monthly member contributions or payouts via cash, thereby increasing the number of groups that turned to digital banking platforms.

"FNB has embraced technology for its stokvel offering, and we've seen that the power of using technology to get real-time data analytics can be used to enhance further user experience and the offerings made to our customers. Recent FNB data highlights a sharp increase in electronic funds

transfers (EFTs) for contributions. At the same time, the FNB digital solution that allows members to be paid directly into their accounts, saw a drastic increase. Since the launch of the FNB digital solution, over R2.3bn in electronic payments has been made to members, illustrating the impact of the digital age on how stokvels transact with financial institutions," he says.

Busisiwe Skenjana, the founder and CEO of the Stokvel Academy, notes that while the transition to technology is slower in rural areas, the digital trend is rapidly gaining momentum within the stokvel sector.



Busisiwe Skenjana, the founder and CEO of the Stokvel Academy

“We also witness a growing demand for information and education regarding digitalisation and its potential benefits. In response, the Academy frequently conducts webinars, and we’ve noticed Stokvel members are increasingly embracing platforms such as YouTube and other social media channels.”

Nkosi says fundamental gaps exist in addressing stokvel solutions via digital channels. “Although it sounds simple, historically, the stokvel market has existed and relied solely on face-to-face product and service take-up, which has made selling to this market more expensive per sale.”

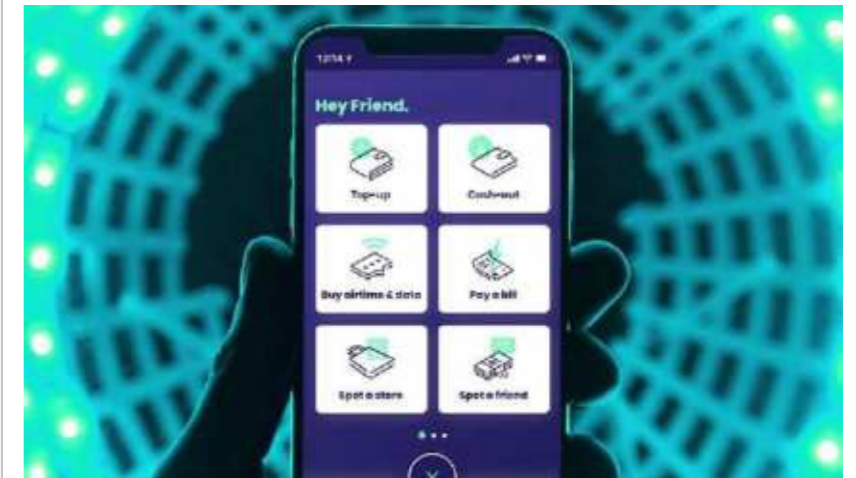


Sifiso Nkosi, Product Growth head at FNB Cash Investments

“To truly realise and cater to the scale of the market, digital sales provide the opportunity to reduce the cost per sale drastically. The data analytics stemming from allowing digital enablement and usage will result in a treasure trove of data that can be used to enhance and better serve the needs of the stokvel market.”

According to Ndawo, retailers should increase awareness regarding the growing digital adoption within stokvels. “The stokvel sector is increasingly embracing digital tools and platforms for communication, payments, and financial management,” she emphasises. “Retailers should consider offering convenient and secure digital payment options and engaging with stokvels through various digital channels.”

Stokvels are more frequently turning to digital shopping platforms for convenience and a broader product selection. This shift prompts retailers to establish a robust online presence to cater to stokvels’ digital shopping preferences. Ndawo continues, “Digital platforms are making it easier for stokvels to coordinate and make bulk purchases. Stokvels can collectively browse and order products or services online, simplifying the buying process and enhancing contribution management.”



<https://innovation-village.com/spot-money-app>

Digital payment methods are also gaining preference among stokvels due to their secure and convenient nature, particularly when handling contributions or making group purchases online. Online financial management tools offer stokvels the opportunity to efficiently manage their grants, investments, and economic activities. These platforms improve financial management, streamline operations, enhance transparency, and provide access to various digital financial services. According to Ndawo, these platforms facilitate a smooth transition to the digital age, while preserving the core principles of traditional stokvels.

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www.magzter.com/ZA/Media24/Move!-Stokvel/Investment/



“Digital transformation will continue to play a significant role in the future. More stokvels will likely embrace digital platforms for communication, financial management, and online shopping. Retailers must adapt to this trend by offering seamless digital experiences and tailored online services.”

Nkosi emphasises that ever since the inception of stokvels, the vast scale of this community and financial ecosystem has presented a significant opportunity to foster meaningful change in South Africa and beyond its borders.

“Despite being often labelled as ‘informal,’ the stokvel market wields a significant influence across various sectors of the South African economy – including banking, retail, and the funeral industry. With the widely acknowledged annual contribution figure of R50 billion, the collaboration required for the stokvel industry extends beyond individual sectors. Instead, all entities

providing products and services to stokvels must unite to ensure that an industry watchdog or regulator fulfils its mandate to represent and safeguard stokvels of all types. This entails offering services that shift away from the historical extractive approach and instead focus on delivering long-term value,” he concludes. **SR**



Catherine Larkin is a communication and marketing professional, specialising in Logistics, Transport and Supply Chain. Her company, CVLC Communication, is a corporate public relations, communication, marketing and events consultancy. Its services range from full secretariat support, project management and administration, strategy development, stakeholder engagement, through to event organisation, media, social media and publicity.



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by Hudson



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Chicken à la King

Poultry is more popular than ever in the midst of a challenging landscape for producers and retailers



Designed by macrovector, www.freepik.com

Weathering the storm

Due to its ability to be paired with many other foods, nutritional benefits, the ease with which it can be prepared and cooked and – until recently – affordability, chicken is the most popular meat by far in South Africa. It provides a versatile base for menu preparation, can be stretched by adding other ingredients and provides a lean, filling, high-quality protein. According to the South African

Poultry Industry (SAPA), the poultry industry is the largest single contributor to the agricultural sector in South Africa. The popularity of poultry looks set to stay, and grow, but there's no denying the local poultry industry in South Africa is facing a rather sombre current landscape – and a challenging future, at least in the short-term. The question is, can local poultry producers weather the storm? Meanwhile, retailers need to ask themselves how they can help consumers, support local producers, and keep their own heads above water.



Image courtesy of www.astralchicken.com/

A tough landscape gets tougher

There are three major factors at play in the local poultry industry at present. Load shedding, the high cost of feed grain, and the devastating effects of the worst global outbreak of avian flu the industry has ever experienced. It's safe to say that consumers will be feeling the effects of these challenges in their pockets and on the shelves of their local stores for the foreseeable future.

Loadshedding. The impact of load shedding on the poultry sector in South Africa has been catastrophic, particularly for smaller farms and producers, many of whom have not survived. With load shedding affecting everything from incubation to slaughter, Eskom's inability to keep the power on for a staggering combined total of 1 296 blackout hours – equivalent to 54 full days of no power this year alone – has severely constrained poultry production.

The cost of grain feed. The high cost of grain feed is a result of several factors, says www.farmprogress.com, including Russia's war into Ukraine, unusual weather, global economic conditions and geo-political unrest.

Serves: 4
Preparation time: 30 minutes
Cooking time: 75 minutes

Few things are more South African than potjiekos and braaibroodjies. This recipe adds a modern twist.

GOLDI, COUNTY FAIR, FESTIVE or MOUNTAIN VALLEY 4 Chicken Drumsticks and 4 Chicken Thighs

INGREDIENTS

Chicken:

30ml canola oil
4 Chicken Drumsticks,
4 Chicken Thighs
1 onion, sliced
Salt and pepper
10ml smoked paprika
10ml dried thyme
2 x 400g tins chopped tomatoes
250ml chicken stock
2 x 400g tins brown lentils
10g parsley, chopped

Braaibroodjies

30g butter, softened
8 slices white bread
250g cheddar cheese, grated
1 tomato, thinly sliced
1 onion, thinly sliced
salt and pepper

CHICKEN, LENTIL AND TOMATO POT WITH BRAAIBROODJIES

Method:

Chicken

Heat 15ml oil in a braai pot over medium-high heat. Add the chicken and brown on all sides. Remove from the pot. Add the remaining 15ml of oil. Add the onion and cook until softened. Add a pinch of salt, pepper, paprika and dried thyme. Cook for a further minute, and then add the tomatoes and chicken stock. Place the chicken pieces back into the pot. Cook the stew over low heat for about 45 minutes. Add the drained lentils and cook for a further 15 minutes. Season to taste with salt and pepper. Top with fresh, chopped parsley before serving.

Braaibroodjies

Butter both sides of each piece of bread. Divide the cheddar between four slices, and then top with tomato and onion. Season with salt and pepper and place another piece of plain, buttered bread on top. Place the sandwiches between a closed grid. Grill over medium heat, taking care not to burn the broodjies. Turn occasionally and braai until golden and crispy.

Serve the braai pot with the cheesy braaibroodjies.



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Festive Fresh Chicken Wings	01142	292 5191 00000 0	9 600 1181 01142 4	5 pc	12 trays per case
Festive Fresh Chicken Breast Fillets	01143	292 5192 00000 0	9 600 1181 01143 1	8 pc	12 trays per case
Festive Fresh Chicken Thigh	01144	292 5190 00000 0	9 600 1181 01144 8	6 pc	12 trays per case

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The 2023 outlook for feed grain is high prices, high costs and tight margins. In an article published on 28 August 2023, www.worldgrain.com says “the disruption of the global grain supply chain largely due to the Ukraine-Russia conflict has impacted the feed industry in many countries, with South Africa reporting a net effect of high prices due to the high cost of corn and oilcake, the main raw materials in the manufacture of animal feed.”

A report from the Animal Feed Manufacturers Association concurs with this view, saying feed manufacturers in South Africa have had to increase their prices in response to the climbing cost of raw materials. Wandile Sihlobo, Chief Economist of the Agricultural Business Chamber of South Africa (Agbiz) says, “As a small open economy, South Africa is interlinked with the global grains and oilseeds market, and domestic prices tend to follow global price movements — and this is what we observed [since 2020].”

Avian Influenza. The South African Poultry Association (SAPA) recently announced that local poultry farmers are contending with two different strains of the virus, H5N1 and a new strain identified as H7N6. This latest outbreak is courtesy of a highly infectious strain that has resulted in the culling of millions of birds – mostly on laying farms. The government is mulling the possibility of fast-tracking bird flu vaccinations for local flocks, and there is a real possibility that the outbreak could be under control in 12 months. But with time of the essence, these deliberations are simply dragging on too long to prevent serious shortages

Image courtesy of www.astralchicken.com/



by December 2023. With recent outbreaks further decimating flocks, leading retailers to ration eggs, the Department of Trade and Industry has directed the International Trade Administration Commission (<http://www.itac.org.za/>) to relook the suspension of anti-dumping tariffs for chicken, which ended in August 2023. According to Business Tech, “A new rebate on these tariffs is being considered to encourage imports to alleviate the current shortages.”

This is a contentious issue, as local producers have pointed out that in the time it takes to receive these imports, consumers will have already felt the effects of the shortages, and local producers will be on their way to recovering their flocks. They would also prefer that government allows local groups to undertake the imports,

without encouraging the import of inferior quality birds.

That said, a recent IOL article quoted Anthony Clark, an independent analyst at Small Talk Daily, who said of possible increased imports: “Should ITAC agree, and that’s not a given, any increase in poultry imports to meet any domestic poultry production shortfall will realistically – given supply chain logistics, ports and State vet checks – only occur into late-December 2023 into January 2024.”

But what does this mean for retailers/wholesalers and consumers? The competition commission has already taken notice of the ‘rationing’ of eggs where consumers are limited in how many they can buy, and prices are expected to rise sharply in the face of ongoing shortages.



Image courtesy of www.hightoppoultry.com/

Laying farms that have culled their birds and undertaken the strict decontamination and double cleaning protocol are waiting to re-start their flocks as they anticipate further outbreaks, and those that are importing fertilised eggs are only doing so in

Serves: 4
Preparation time: 130 minutes
Cooking time: 40 minutes

GOLDI, COUNTY FAIR, FESTIVE or MOUNTAIN VALLEY Chicken Drumsticks

INGREDIENTS

Chicken:

- | | |
|----------------------------|------------------------------|
| ½ cup double-cream yoghurt | 1 can cherry tomatoes |
| 8 chicken drumsticks | 2 tsp turmeric |
| 3 tbsp oil | 2 tsp garam masala |
| 1 onion, chopped | 2 tsp ground coriander |
| 4 garlic cloves, minced | 2 tsp ground cumin |
| 1cm ginger, grated | 1 cup cream |
| 3 tbsp tomato paste | 10g fresh coriander, chopped |
| 1 tsp chilli flakes | |

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CHICKEN TIKKA

Did you know that chicken tikka was popularised by South Asian cooks living in Great Britain?

Method:

1. Marinate the chicken in yoghurt for 2 hours.
2. Add a dash of oil to a pot. Add the onions, garlic, and ginger and fry for a minute or two.
3. Add the tomato paste and chilli. Cook, stirring, until the paste's colour changes.
4. Add the tomatoes and spices. Simmer for 5 minutes.
5. Gently add the chicken to the pot and cook for 20 minutes.
6. Add the cream and coriander, and serve over rice.

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www.vencomaticgroup.com/

relatively small numbers. The BBC reported on the impact of the egg shortage, saying “More than half of South Africans live below the poverty line. They already spend about 35% of their income on food and according to the Pietermaritzburg Economic Justice and Dignity research group, this share will likely increase as a result of the egg shortage.”

In early October 2023, IOL reported Sapa’s Izaak Breitenbach as saying that egg shortages were already being felt, and the reduced production of local chicken meat would be felt in six to eight weeks’ time. In the article, Breitenbach notes that he expected chicken imports to increase to supply local demand, particularly in the peak months of November and December, adding that frozen chicken portions were being imported from Brazil and the United States, and bird flu restrictions had been lifted from Ireland, Spain and Argentina, allowing these countries to resume exports to South Africa.

It’s a tough one, as local producers are concerned that cheaper imports could have a negative impact on the local industry. Already reeling from financial and stock losses, having to contend with low-cost imports could result in further job losses and more pressure on local producers. Breitenbach concludes ...

“ This problem is not going away tomorrow. It will take us six to 18 months to replace the stock that we have culled to date. Some producers are reluctant to restock immediately, as their new replacement stock might also have to be culled. ”

While the current landscape presents challenges, South Africa’s consumers are still turning in their millions to chicken as an affordable protein source. However, this may prove to be difficult to sustain. In August, when the National Agricultural Marketing Council (NAMC) released its most recent food price basket costs, it was noted that both eggs and chicken had increased in price. On top of economic instability and more severely constrained consumers, these rising prices have the potential to push chicken out of reach for many households. To mitigate this, retailers and wholesalers have an opportunity to double down on working with local producers to provide budget-friendly, value for money options wherever possible, without sacrificing the quality and range of choice that their customers have come to expect.

Innovation as a growth driver

Many producers have recognised the need to appeal to a range of tastes, needs, and desires. Key to this is convenience. From pre-marinated and deboned gourmet flatties for the braai, to air fryer-friendly crumbed shapes for kids, the range of poultry products on offer has grown and continues to expand. Recognising trends in flavours and seasoning, meeting a range of price points, and also catering for a variety of cooking methods to counter load shedding are inspiring producers and manufacturers to come up with new additions to existing ranges, and interesting new products.



Painted, hard-boiled eggs are sold in Germany all year round but production is ramped up for the Dutch market around Easter. The paint line runs at full capacity from the beginning of February until Easter when 5 machines run 24/7 turning out millions of colourful eggs. Vibrantly coloured eggs always do well and are an eye-catcher during the holiday season. White cage and aviary eggs are mostly used on the paint line. The painting process is divided into 2 main techniques, using either spray paint or airbrushing for a luxury look. All colours are possible, as well as multiple combinations. Special designs can also be created by marbling or turning the freshly painted eggs over a sponge. Original article: <https://www.poultryworld.net/>
Photo by Bert Jansen.

Serves: 4
Preparation time: 25 minutes
Cooking time: 50 minutes

GOLDI, COUNTY FAIR, FESTIVE or MOUNTAIN VALLEY Chicken Thighs

INGREDIENTS

Chicken:

30ml ghee or sunflower oil
8 chicken thighs
1 large onion, chopped
5ml paprika
2,5ml turmeric
2,5ml ground cinnamon
50ml pomegranate molasses
200ml chicken stock
80g walnuts, pounded with a pestle and mortar until coarsely ground

Jewelled rice:

500ml basmati rice, cooked
40ml ghee or butter
1 onion, chopped
2 garlic cloves, crushed
2,5ml ground cumin
2,5ml turmeric
a pinch of cinnamon
5ml honey
salt and pepper
100ml cranberries or sultanas
60ml pistachios, chopped
125ml pomegranate rubies
fresh coriander and parsley

PERSIAN CHICKEN BAKE WITH JEWELLED RICE

This Persian chicken dish is packed with wonderful flavours that are set to wow your dinner guests.

Method:

Preheat the oven to 200°C.

Heat the ghee or oil in an ovenproof casserole on medium heat. Brown the chicken on both sides. Season and remove from the casserole.

Add the onion and cook until softened. Add the spices, pomegranate molasses, stock and walnuts, and bring to the boil. Add the chicken back into the casserole. Place in the oven for about 40 minutes until cooked through (the sauce should have thickened). Taste and adjust the seasoning, if necessary. Serve with the jewelled rice (see below), fresh parsley and coriander.

To make the jewelled rice:

Heat the ghee or butter in a large frying pan and cook the onion and garlic until soft and golden brown. Add the rice, spices, honey and cranberries. Allow to cook for a few minutes to allow the flavours to develop. Add the pistachios and pomegranate rubies and serve with the chicken.



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Image courtesy of <https://izzycooking.com/>



China has emerged as the second largest destination for U.S. poultry exports, increasing from only \$10 million in 2019 to a record \$1.1 billion in 2022. This is a remarkable increase of more than 10 000% in just 4 years, despite bird flu and trade bans. What is interesting is that this recovery has been driven by one product – frozen chicken feet, which are apparently preferred by Chinese consumers for their unique large size and consistent high quality. Chicken feet accounted for more than 85% of all U.S. poultry exported to China in 2022.

www.farmprogress.com/poultry-news/

Many consumers are excited to try something new and are often persuaded to make purchase decisions based on convenience, the chance to experiment with new flavours, and the need to provide something different for dinner, especially when preparing meals and snacks for children, which after all can be something of a challenge – any help in this area will be greatly appreciated by time- and idea-constrained mums, dads and other caregivers.

Innovation doesn't only include taste and flavour combinations for prepared or ready-to-cook products. It touches snack and deli offerings, frozen products, and, of course, everything braai. From coatings, seasonings, sauces, and cook-in bags to ready-made marinades and more, local consumers enjoy variety in their poultry products.

Value for money

For most consumers, value for money is a critical purchase driver. Promotions, special offers and bulk buying value deals will help consumers deal with higher prices. Retailers can also offer more deli and ready-to-eat or heat-and-eat chicken products that contain a smaller amount of chicken paired with grains, vegetables and filling carbs. Providing recipe ideas to stretch a whole chicken over multiple meals, and meal preparation suggestions for different parts of the chicken, will allow consumers to continue to buy chicken and chicken products through the tough times. Pocket-friendly solutions that appeal to consumers and answer basic nutritional needs are also a good way of retaining customers.



Poultry is a menu staple at many food establishments. Poultry is also a high-risk food, which means it has ideal conditions for the growth of dangerous pathogens that can cause food-borne illnesses. For this reason, it is essential that food businesses and food handling staff know how to handle poultry safely at all stages, from purchasing and receiving, to storing, thawing, preparing and cooking. Proper handling of high-risk foods like poultry is essential to maintaining food safety, protecting customers and the food business, and preventing food-borne illness outbreaks.

Image & caption: <https://blog.foodsafety.ca/how-buy-store-and-prepare-poultry-safely>



In the catchment area of the River Wye, 24 million chickens are farmed, and their waste is spread as fertiliser, but during heavy rainfall, it can leach into the river. Natural England downgraded the status of the River Wye in May due to the pollution. Original article: www.poultryworld.net/ Photo: Canva

Where human health and animal welfare meet

There are a growing number of consumers who are concerned with animal welfare, and increasingly knowledgeable about terms such as free range and pasture raised. More consumers are demanding transparency, open dialogues, and actual commitment to better farming and production practices, humane slaughter practices, and ethical egg production. And they are willing to either pay or limit their expenditure accordingly, to put their money where their beliefs and values are.

In addition to this, there are those shoppers who might be less swayed by the ethical debate, but who whole-heartedly believe that organic, hormone-free, free-range produce is healthier. Health-conscious consumers are heavily invested in foods that are better for them, more sustainable, and which offer better health benefits. This is a shift that can be maximised in heat-and-eat, deli, and ready-to-cook poultry offerings.



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Eggs that can't be hatched are removed as they go through the scanner.
Noal Farm: <https://www.youtube.com/watch?v=TOE4VsR31hI>

Technology in agriculture ... Saviour or destroyer?

In the face of hardship, the global poultry industry continues to innovate. The agtech revolution is coming, says Aidan Connolly, President of AgriTech Capital LLC. In an article for Poultry World, Connolly explains how, much like in the health sector, robots and AI can be deployed to manage cutting, deboning, and packaging of poultry products. Technology can not only improve quality, safety, and productivity, it can also help with animal welfare concerns.

The internet of things (IoT) can be used to manage bird welfare by continually monitoring temperature, ventilation, humidity, lighting, and even air quality. In addition to this, AI can analyse data and identify potential health problems.

Connolly reiterates that while agtech can negatively impact human employment in the short term, it does open up the possibility of more stimulating, higher-paid jobs requiring better skilled workers to manage the technology. And as agtech improves the quality, quantity, and consistency of production, this in turn paves the way to hiring these skilled workers. It will require significant investment, both in terms of capital and time, but Connolly says, "At the end of the day, the poultry workers and chicken businesses that will survive the tech transition are the ones investing and embracing high-skill training programmes now. In fact, those who prepare for disruptive innovation will enjoy new levels of productivity, profits, and job satisfaction."

Key takeaways

Local retailers and consumers should brace for increased and ongoing poultry shortages, as well as further price increases. There's no easy way to weather this storm. Consumption, and therefore sales, will fall. But local producers need the continued support of local retailers, and in time, the South African poultry industry will in all likelihood recover.

In the meantime, continued innovation and flexible thinking around existing products and offerings can help shoppers afford poultry and poultry products. It is essential to maintain a high quality, and also offer value for money deals whenever possible. **SR**



Image courtesy of www.vencomaticgroup.com/

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Ann Baker-Keulemans writes on topics related to business, lifestyle, technology, and health, with extensive knowledge on the SA retail and wholesale landscape. Contact annbk@wilkinsross.co.za | www.wilkinsrossglobal.com

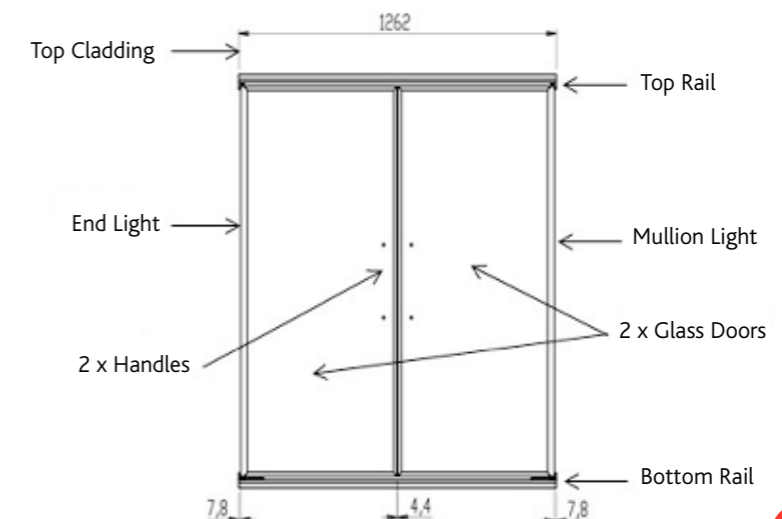
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Lights (LED)

Energy Saving LED 22W, 6000K, LED Light fitted on the inside of the architrave in a closed polycarbonate light diffuser.



Everyday low prices and loyalty cards

The relaunch of Kaufland Hypermarkets in Europe

The leading German player is blending a traditional 'loyalty system' with daily loyalty built around the low prices of discounters. The goal is to fortify its stores against the prevailing downturn in this format.

As per the official reports from Schwartz Gruppe, which encompasses both Lidl and Kaufland, the past year (2022) saw Lidl's sales rise to €114.8 billion (a 13.8% increase), while Kaufland achieved a turnover of €31.8 billion (up by 16.1%).

At the close of the fiscal year, the German Group, with its 575 000 employees, oversaw a total of 13 700 retail points of sale (400 more than the preceding year), including over 1 500 hypermarkets under the Kaufland brand in Germany and Eastern Europe (Croatia, Czech Republic, Slovakia, Poland, Romania, Bulgaria, and Moldova). Schwartz Gruppe now commands an absolute leadership position in Europe, with a 5.3% market share. Globally, its substantial volumes are surpassed only by the American retail behemoths Walmart, Amazon and Costco.

Approximately 8 billion euros were invested last year in strategic digitalisation projects, primarily centred on refining the supply chain, expanding branches and modernising overall operations. These organisational advancements were driven by the



An evocative night image of the exterior of a Kaufland branch.



View of a parking lot from which the ongoing promotional event is immediately visible – with six large promotional signs placed on the external wall, using them as a large sales point.

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ambitious aim of attaining an efficiency level capable of sustaining all operations, which has become even more imperative due to ongoing expansion strategies.

What remains to be delineated is the definitive commercial approach to address the critical aspects of managing the extensive spaces housing the numerous hypermarkets in the Kaufland network.



Presentation of Kaufland's 'Discount-Billig!' initiative formalising the approach towards the commercial policies of discounters.



The entrance of the Kaufland hypermarket in Rostock, Germany.

The downturn of hypermarkets

In reality, this format started experiencing setbacks when shifts in the global economy altered consumer buying habits, leading them to favour the spartan, yet convenient, offerings of discounters.



Assortments of private label products, where Kaufland emphasises the optimal combination of quality and affordability.



Exclusive Kaufland 'Crazywolf' brand of canned drinks.

The Kaufland Purland brand dedicated to meat products.

Between 2007 and 2008, the 'real estate bubble' burst in the USA, causing housing prices to plummet, and subsequently contracting the value of mortgages securing existing loans. This was brought on by rising borrowing costs (after an extended period of lenient lending by the FED), which complicated borrowers' repayments to banks and resulted in reduced demand for owned properties. Many mortgage holders became insolvent, causing far-reaching repercussions worldwide. The 'subprime mortgage crisis' left an indelible mark on all sectors.

Paradoxically, the decrease in vital values like property coincided with higher costs of both money and goods. This collective realisation spurred us to embark on frugal endeavours, facilitated by the proliferation of discount stores and the simultaneous rationalisation of large retail spaces.



The hardworking operator at the 'welcome box' oversees the comprehensive commercial offerings, starting with the traditional arrangement of fresh fruits and vegetables, typical of large food outlets.



View of the 'Beauty & Care' aisle in a Kaufland hypermarket, showcasing personal care and hygiene products.

Financial intricacies, such as 'securitisations,' where banks obtained liquidity by using 'special purpose entities' to issue bonds based on anticipated credits (which had by then become difficult to recover) had, in the meantime, harmed systems to the point of triggering a general destabilisation of banking circuits and the collapse of stock market indices.

In this severe and pervasive economic climate brought on by globalisation, families began to understand that they would be dealing with more complex expenses. The experience became more prolonged, a shared reality across the globe. It was also exacerbated by subsequent geopolitical tensions, armed conflicts, abrupt spikes in raw material costs, and associated speculation.



Perspective of a self-service aisle dedicated to perishable goods in a hypermarket in the Czech Republic.



"If it's fresh it's Kaufland." This phrase is stamped on the front of the display window of a service counter prominently featuring sausages, a typical food in German cuisine.



Antonello Vilardi, professional in managing points of sale at numerous commercial signs, editorial collaborator for specialised magazines, consultant and lecturer in university masters. He has written books on large-scale retail trade.

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Essentially, contemporary economic history has created a global context where consumers feel financially fragile and seek to spend less. However, with their needs largely unchanged, they must do so more frequently. Retailers, for obvious reasons, must grapple with the containment of natural dispersion that affects large spaces like hypermarkets, a legacy from the glory days of the past when shoppers visited once or twice a week in remote locations, armed with substantial budgets.

This, in essence, is the historical-economic narrative explaining the surge of discount stores in Europe and the simultaneous decline of hypermarkets, which were also weakened by specialised large-scale distribution.

The average consumer is currently highly price-conscious, anticipates quality products and, apart from specific online purchases, frequents physical stores more often. They prefer easily accessible locations with less cluttered spaces and immediate visibility.



Fruit & Vegetable displays

Views of fruit and vegetable sections in Kaufland-branded stores. The overall display and arrangement are also reminiscent of Lidl.



The discount model in European distribution

On a European scale, while in France (where the hypermarket concept originated) there are attempts to revitalise essential resources, and in Italy there are efforts to rationalise layouts (emphasising fresh produce, local products and food lines in general, while removing excess non-food items). In Germany (where the discount store concept was born and rapidly developed), hypermarkets present themselves with characteristics that seem to echo those common to year-round low-price sellers.

Kaufland, the quintessential German hypermarket, shapes its 'service loyalty' around placing the 'low prices' of products at the forefront, perhaps even ahead of the customer themselves.

Kaufland consistently offers over 7 000 items in its assortment (regardless of whether they are branded or private label) at a 'discount price'. The brand asserts that these items are not limited to promotional campaigns but are consistently affordable.

The so-called '**DISCOUNT-BILLIG!**' is constructed on the continuous comparison of Kaufland's assortment with that of discounters and its prompt adjustment accordingly. Kaufland even went as far as publicly declaring an example of its commercial policy ...

“ If a discounter offers its chocolate at the assortment price, not at the advertised or special offer price, for example at €0.99, and we offer it at €1.19, we will permanently adjust the price for that chocolate to €0.99. ”



Display of baked products at the counter, ready for packaging. The fixed sales setup highlighting the items is reminiscent of those commonly used by Lidl. Both Lidl and Kaufland belong to Schwartz Gruppe. Lidl has built a significant part of its everyday image on offering freshly baked bread at low prices.



View of an aisle dedicated to perishable food items.



Kaufland social media says ...
"Celebrate with us and save on our 2 000+ K-CLASSIC items. Which tea do you prefer? Loose leaves, bags or granules?"

Kaufland Card and institutional loyalty

Strengthening consumer trust by daily reinforcing unequivocal traits commonly found in discounters is solidified through the tried-and-true formulas of the 'fidelity card'. The Kaufland loyalty card grants access to numerous advantages. It's free and can be obtained at the 'information box' in any branch or digitally through the official application. It entails even more affordable offers exclusive to cardholders, as well as the regular receipt of 'coupons' for product purchases in-store or online. The opportunity to accrue 'loyalty points' (1 point for every €5 spent) for redemption in exclusive prizes or discounts, participation in monthly competitions and ongoing initiatives in the online market (Kaufland.de) and the chance to obtain benefits recognised by numerous official partners.

Daily offerings inspired by the effectiveness of discounters, combined with traditional loyalty systems (enhanced by digitalisation and official partnerships), form part of an evolutionary trajectory that Kaufland is steadfastly pursuing to maintain Schwartz Gruppe's position at the pinnacle of European and global distribution.

It is intriguing to consider that, once upon a time, Lidl (a clear example of a discounter) aimed to emulate a 'supermarket' and laboured diligently to achieve this, while now it is other retail formats striving to mirror discounters. Many supermarkets are racing to adopt the Every Day Low Price approach, and even hypermarkets are moving in the same direction.

The 'know-how' shared by Lidl's counterparts (also part of the same corporate family) on the 'discount style' is a valuable reservoir of management strategies, tools and processes to draw from. Only time and future market statistics will reveal whether this was the most prudent approach to enhancing the Kaufland-branded hypermarkets. Meanwhile, in Europe, we find ourselves pondering ... **Are hyper-discounts being born?**



Self-service fridges

Kaufland Backnang, Germany self-service fridges



A vast array of self-service meat products.



Signage draws attention to products 'as advertised'.



Retail-giant Kaufland took a big leap into the digital future and equipped more than 120 new stores in Germany with at least 20 modern digital signage screens respectively. Centre piece of the digital rollout is the digital signage software. Every display can be assigned to a department and provides specifically the desired content via geotargeting. The stores can act individually as well as activate and deactivate individual articles and special offers. Thus, regional events can be considered and suitable offers can be displayed.



Above: Kaufland Romania butchery service.
Left: Kaufland Croatia fish service.



Focus on sustainability – photovoltaic systems at Kaufland.



Kaufland Bucharest's local integration approach. Shown here, an example of their community gardens.



A social media posting ... "Giveaway: GönrGY from montanablack is back at Kaufland. We are raffling 100 x 100 € vouchers. To participate you must comment and tag 2 friends with whom you would like to go shopping at Kaufland! You can participate until 8 October 2023 at 23:59 o'clock. the winners will be announced on 22 October 2023. the winner of Kaufland contacted by direct message."



Kaufland Romania pasta



Kaufland – cooking by Shahida.



Kaufland hotdog with sauerkraut.



Kaufland has a huge array of thirst-quenchers 'ready-to-go'.



Kaufland Romania e-Rally team.



Igniting Collaborative Category Management in SA's retail sector



By Bernhardt van der Merwe
DataOrbis Head
Category Management.

Category management (CM) is the process of bundling similar products into a singular category, or business unit. Then procurement, merchandising, sales, and other retail efforts are addressed in the category as a whole. The goal of this approach is to improve customer experience, drive business efficiencies while delivering quality products and services that generate profits.

CM gained traction in retail in the late '80s and early '90s as it offered a means of improving efficiencies while boosting sales, and profits by acquiring a greater understanding of shopper behaviour which in turn aids retailers to meet consumer demands.

A study conducted in the 1990s – the Category Management Report¹, part of an efficient consumer response project, introduced a strategy that treats product categories as standalone business units. The research outlined techniques for managing product ranges, shelf space, pricing, and promotions and introduced an 8-step business process that promised to be the key to success through collaboration between retailers and suppliers.



<https://una.com/resources/guide/complete-guide-to-category-management/>

However, despite early excitement around Collaborative CM there appears to be little local appetite for it today. This is unfortunate as it is based on sound, actionable and profitable principles.

Retailers regularly devote significant resources to creating planograms to optimise shelf efficiency and space utilisation, yet are hesitant to collaborate with suppliers, who can offer valuable insights into categories, consumers, and shopper behaviour.

Similarly, despite having valuable research data at their disposal, suppliers frequently miss out on leveraging this information for strategic partnerships or collaborative efforts with retailers. This is short sighted as alignment in this manner can build trust, paving the way to sustained collaboration as well as making research efforts more targeted and effective.

Since the introduction of the original 8-step process, various updates and customisations have been made. However, the core principles remain intact, namely ...

- defining category
- establishing its role within the business
- assessing opportunities
- setting scorecards
- devising strategies
- optimising tactics
- implementing plans
- conducting post-implementation reviews.

Through the primary intent of growing categories through retailer and supplier collaboration, participants may see benefits immediately or over an extended period. These include lower inventory, enhanced sales, and notably, better shopper



satisfaction – surely, a competitive advantage. One would think these outcomes would fuel the business case for the implementation of Collaborative CM, but hurdles must be overcome if it is to succeed.



Building a best-in-class procurement organisation is no small feat. Your procurement organisation is delivering tangible cost reductions, producing a considerable volume of contracts, and stipulating contractual obligations for supplier-led innovation. Graphic & caption www.coupa.com/blog/procurement/category-management

Let's unpack these challenges

Inadequate senior management buy-in: When top management is not invested in a process, there is usually less accountability for project success which in turn leads to ineffective implementation and evaluation.

Resistance to collaboration: Collaborative CM requires retailers and suppliers to share data, strategic goals, and sometimes even trade secrets. Not everyone is willing to engage in such an open manner. This can stem from lack of trust, competitive pressures, or the fear of losing a strategic advantage. Overcoming this resistance requires building a strong, trust-based relationship between both parties, which can be time-consuming.

<https://blog.procureport.com/category-management-strategy/>



Data-Sharing: Sharing data between suppliers and retailers raises several concerns, the most significant being confidentiality. Proprietary data regarding sales trends, shopper behaviour, or inventory levels can be sensitive. Both parties may be hesitant to disclose this information without assurances that it will not be misused or leaked. These issues can be addressed by setting up secure data-sharing protocols and legal agreements – complex but crucial if this issue is to be addressed.

Resource Constraints: Effective CM requires investment in human resources, time, and technology. For example, data collection and analysis requires skilled staff while (CM) programmes typically require cross-functional resources and contributions from both the retailer and the supplier for comprehensive effectiveness. All these require financial investment and effort, which can be a challenge for companies with limited resources. Sometimes, due to these constraints, the collaborative efforts may lack depth, or the implementation might be rushed, leading to suboptimal results.

Maintaining Long-term Focus: Retailers and suppliers are often driven by short-term sales targets and quarterly performance metrics. This short-term focus can derail long-term CM plans, which typically yield results over a more extended period. It can be challenging to keep all stakeholders committed to long-term goals, especially when facing pressures for immediate financial returns.



Measurement of investment returns:

ROI is a critical metric for any business activity but calculating it for CM initiatives can be problematic. It's often difficult to isolate the effects of CM initiatives from other influencing factors like market trends, seasonal fluctuations, or competitive actions. This makes it challenging to definitively measure the success of projects, thereby complicating the task of securing future investments in similar endeavours.

The foregoing are the obstacles to the successful implementation of Collaborative CM but no article on the subject would be complete without revealing and addressing market criticisms of the process. One of the most cited ones is that it can be overly complex; time-consuming – requiring meticulous planning, data gathering, strategy development and constant review – all of which can present a considerable drain on resources. The complexity might discourage retailers and



<https://una.com/resources/guide/complete-guide-to-category-management/>

suppliers who may not have the human or financial resources to invest in such a lengthy process. Additionally, complexity often necessitates the use of advanced software and analytics tools to which retailers may not have access or be unfamiliar with. Examples of the latter are revealed in The Harvard Business Review² of February this year which exposed barriers to the uptake of advanced data analytics by retailers.

Conflict of interest is also cited as an issue in the retailer/supplier collaboration debate. For example, the supplier's emphasis, or the retailers intension, on advancing a particular brand can create tension in the collaboration, as it veers away from the broader objective of mutual growth and overall category development. Such divergent interests can negatively affect collaborative relationships. **SR**

In my next article I will address and reveal how they can be addressed.

¹ Category Management Report; Category Management Subcommittee; ECR Best Practices Operating Committee and The Partnering Group, Inc. Joint Industry Project on Efficient Consumer Response; 1995 by the Joint Industry Project on Efficient Consumer Response.

² <https://hbr.org/2023/02/why-retailers-fail-to-adopt-advanced-data-analytics>

Bernhardt van der Merwe has developed a comprehensive understanding of the commercial dynamics within the FMCG industry, specifically in the challenging realms of retail and supplier category management initiatives in a strategic, shopper-centric approach. He has successfully assisted clients in category management start-up initiatives, locally and internationally, by providing expertise in process and resource planning, training, and change management.

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99% of South African consumers have changed their shopping habits to manage their expenses

- 40% shop more often at discount/value stores
- 34% buy whatever is on promotion to combat inflation
- 48% of consumers think that store brands are a good alternative to name brands

According to NIQ, 99% of South African consumers have changed the way they shop for FMCG (95% globally) and have adopted a range of strategies to manage their spending. The three top saving strategies are buying whatever brand is on promotion (34%), shopping more often at discounters (40%) and focusing on essentials (46%). These findings appeared in "NIQ's Mid-year Consumer Outlook 2023", the latest NielsenIQ Thought Leadership report capturing the mindset and sentiment of consumers around the world.

According to the report data, consumers have adapted by developing innovative coping strategies and becoming accustomed to unceasing challenges.



NIQ South Africa MD
Zak Haeri comments ...

“In the upcoming year, we can expect a sustained and intensified emphasis on budgeting, value, and trade-offs as resilient

consumers redouble their efforts and refine the tactics that have proven effective for them thus far. ”



He attributes this to the demanding economic landscape of the past three years that has paved the way for a resurgence in consumer resilience.

The NIQ Consumer Outlook analysis also highlighted the staying power of private labels also known as 'Store Brands'. Many consumers are managing costs by turning to these store brands:

- 52% think store brands usually are good value for the money
- 48% of South African consumers state that store brand products are a good alternative to name brands.
- 39% think some store brand products are higher or equal quality than name brands.

Haeri adds; "Industry participants must acknowledge the growing significance of private label products in the grocery sector over the long haul. The optimal path forward hinges on the

dynamics within your product range. One viable approach involves differentiation, innovation, and the quest for a distinctive niche that sets you apart from being perceived as a mere "budget-friendly alternative." Collaborative efforts with retailer-owned private labels offer several advantages, including the potential for category leadership and early insights into alterations in product assortments and categories."



Adding a broader perspective, NielsenIQ Thought Leadership Global Director Lauren Fernandes comments ...

“Private label staying power has been evident across the last 24 months

as they have in most cases outpaced the sales growth of other brands in the market. ”

“Consumer perceptions of the quality of private label products have warmed over the years, and the value offered has made them an increasingly viable option on the shelf. At the current trajectory, private label share capture could be 25% of all grocery sales within 10 years, presenting unique challenges and opportunities to those who recognise this emerging tectonic shift.” **SR**

Further information can be found on <https://nielseniq.com/global/en/insights/analysis/2023/5-cost-of-living-trends-to-know/>

Checking in to checkout



Mike Smollan
Chief Growth and
Innovation Officer
Smollan

Black Friday tips!

Checking out the Black Friday phenomenon and how to play the game.

Black Friday is quite possibly the most drama-filled time of the year, in-store that is. There was the woman who used her pants as a shopping trolley, and the individual who called the police over a sold-out TV #sorrywhat? It's a bit like a weird movie in an intoxicating chaotic, repeat visit kind of way.

Globally, according to www.queue-it.com Black Friday online sales grew 3.5% to \$65.3 billion last year. Retail sales increased by 12% and was recorded as the biggest shopping day of the year in the US, with online retail traffic three times that of a normal October day. That said, 60% of consumers said they bought a sale item, only to regret it later, with 23% of women saying that they suspect retailers inflated prices ahead of Black Friday, only to 'discount them' on the day.

Furthermore, marketing tactics not only drew traffic in 2022, but also revenue with 29% of online sales attributable to a paid search; 19% to direct web visits; 17% to organic searches; 15% to email and 3% to social media.

Closer to home, looking back to look ahead, from a banking perspective FNB reported that its



Image courtesy of Freepik

customers spent a record R3 billion on Black Friday last year, with most shoppers popping into physical stores to grab deals. R2.4 billion was spent in-store an increase of 18% on the previous year, while over R670 million was spent online, a rise of 31%. This year amidst rising interest rates and inflationary

demands South African consumers will no doubt be cautious as Black Friday goes live. That said, the adrenalin rush and instant gratification that it brings is all too real with the promise of a moment to 'let loose'.

Determining the best fit for the promotional period to leverage both in-store and online strategies, will depend on the specific business and target audience, to ultimately hit the sweet spot with consumers. Both in-store and online options have their advantages. In-store offers the excitement of sensory appeal for shoppers, an opportunity to engage with customers, drawing them in with eye-catching

displays and product demos and maxing on impulse buying. While online offers the potential for new customer acquisitions, reaching a wider audience, as well as being able to tap into detailed analytics to track shopping behaviours and identifying trends going forward.

A hybrid approach makes sense for example, offering online deals that complement in-store promotions, and using online channels to drive foot traffic to physical stores.

“Undoubtedly the customer connection is everything whether online or in-store as consumers demand an excellent shopping experience over Black Friday. They want options, the latest ranges, offers on offers, quick check-outs, quality, delivery in the quickest time possible if ordering online, and a store experience where availability, and lots of it, does not switch their mood.”

“What we’ve found from an in-store perspective during these times of high demand, is the immense value of sending in our surge merchandising teams. Where they focus solely on brand visibility, additional POS and making sure product is in stock, on shelf, all the time. That’s the whole idea right, speed, efficiency, and targeted sales.”



The Friday frenzy in Brazil. www.theguardian.com/books/2018/: Photograph: Sebastião Moreira/EPA

Top tips

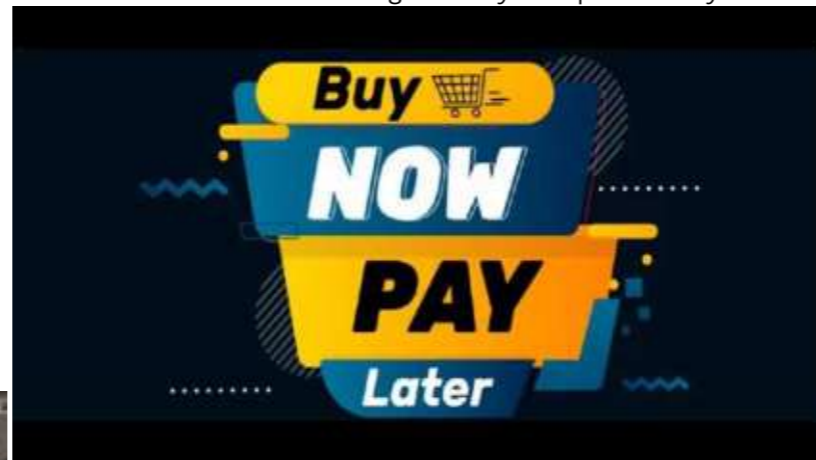
Marketing Specialist, Incubeta



Image courtesy of Carlos Muza, Unsplash

Data. Tapping into all available data from previous Black Friday sales to see what worked and what didn’t is key. This data will also stand companies in good stead for their festive strategies.

Image courtesy of <https://finance.yahoo.com/>



Checkout Choice. Having a buy now, pay later (BNPL) payment option will allow cash-strapped consumers who are hoping to make big-ticket purchases the opportunity to pay them off. In fact, it makes sense to have as many payment options as possible. Also, options like an in-store pickup could score points with customers.



Image courtesy of www.hotjar.com/

Red Flags. Logistics will continue to be a challenge and brands must factor in delays. The key is to keep customers informed and manage their expectations. If you can’t deliver, keep them in the loop or if a product sells out, make sure you update this on your website asap.



Image courtesy of www.openloyalty.io

Don’t Underestimate Customers. South Africans love a good deal. They have also become masters at gamifying loyalty programmes

allowing them to get the most out of Black Friday shopping. Don’t pull the wool over shoppers’ eyes, chances are one will get caught out. **SR**



Over 10 000 complaints closed ... R12.9 million recovered for consumers

The CGSO celebrates its 10th birthday

The Consumer Goods and Services Ombud (CGSO) released its annual report for the 2023 financial year today, at an event celebrating 10 years of fair play between consumers and suppliers.

Speaking at the event, CEO Queen Munyai paid tribute to the industry champions who have spent the last decade supporting, upholding, defending and protecting consumer rights in South Africa ...

“The CGSO owes its existence to many role players who came together to set up an ombuds office in 2013 to promote fair business practices in line with the then relatively new Consumer Protection Act (CPA).”

“That effort was boosted by the promulgation of the CGSI Code of Conduct in March 2015, which made it mandatory for all eligible businesses to participate in the Ombud Scheme. Since then, we have helped resolve over 70 000 disputes between businesses and their customers, and in the process helped consumers to access redress while allowing suppliers the opportunity to do right by their customers. We are proud and privileged to have played a part in maintaining trust and confidence in our industry. We look forward to finding new and better ways to fulfil our mandate.”



Above left: Queen Munyai and the CGSO team toast to a decade of successfully resolving consumer complaints.

Above right: Master of Ceremony, Innocent Sadiki outlining the programme of the day.

Below: Stakeholders listening attentively to the different speakers.

Trends and highlights of the financial year ending 28 February 2023

- The CGSO received 10 562 complaints, compared to 11 834 in the previous period.
- In line with the previous reporting period, goods, services and agreements accounted for 94% of all complaints received.
- Three sectors generated 63% of consumer complaints ... online transactions, appliance manufacturers and retailers, and satellite and communications – with e-commerce accounting for 34% of all complaints, up from 25% last year.
- Of the 10 749 cases closed ...
 - The Ombud was unable to assist 2 363 complainants. These included 2 044 that fell out of the CGSO's jurisdiction and were referred to other Ombud offices, regulators, and sector-specific alternate dispute resolution bodies.
 - In 4 610 cases (representing 55% of cases that fell within the CGSO's jurisdiction), the complaint was either fully or partially upheld by the Ombuds office.
 - This resulted in R12.9 million being recovered for consumers, up from R11.4 million in the previous period.
 - 3 776 cases (45%) went against the complainant. These include 2 103 termination notices issued in line with section 70(2) of the CPA, whereby consumers were advised to lodge complaints with the National Consumer Commission (NCC) after the parties failed to reach a settlement, or the supplier refused to cooperate. Twelve per cent (983) of complaints were not upheld, and 290 cases were closed due to a lack of cooperation by the complainant.
 - 26% of cases were closed due to non-cooperation from suppliers.



The discussion panel unpacking the 2022/23 annual report.



CEO Queen Munyai, outlining the highlights of 2022/23 annual report.

Consumers who wish to lodge a complaint can now do so by downloading the CGSO mobile complaints app from the google or App Store. It's free and allows users to upload and track the status of complaints, as well as submit supporting documentation, such as photos and invoices. Alternatively, they are welcome to call the CGSO on 0860 000 272, send an email to info@cgso.org.za, or visit www.cgso.org.za to submit a claim.



CGSO staff celebrating the 10 Years of success.



Mpho Pops comedian, entertaining the audience.



- The average number of days to close a case fell markedly, from 63 in FY2022 to 40. The mandated number of days permitted by the Code to close a case is 60 days.
- Year-on-year, the number of paid-up industry participants rose from 1 048 to 1 356 representing a retail footprint of 23 517 outlets countrywide.
- Revenue increased 35% year-on-year from R20 million to R27.1 million.
- Healthy cash reserves maintained – 16 months vs 20 months in FY2022.
- Ninth consecutive clean audit.
- Strong media partnerships maintained to help educate vulnerable consumers.
- Search for a new Ombudsman following the resignation of Magauta Mphahlele, concluded. Liaquat (Lee) Soobrathi took up office post-year end on 1 July 2023.

Ten years on and consumers' complaints are not much changed

Queen Munyai noted that while e-commerce now accounted for over a third of all complaints received, the nature of consumer complaints hasn't changed in 10 years ...

“Our 70 000 plus case files all tell pretty much the same tales of disappointment, crossed wires, rude staff, dismissive managers and suppliers who disappear, never to be seen again.”

“Fortunately, our participants view the CGSO as a partner who can intervene when their internal



Graham Rabello, receiving an award on behalf of Massmart Holdings

systems get it wrong. They also can turn to us to counsel consumers who have unreasonable expectations, like the customer who demanded consequential damages of R59 million after discovering 'crystal-like' particles in a popular soft drink. Other cases are more heartbreaking, especially in the current economic climate, such as the complainant who lost R400 000 earmarked for a full renovation of his apartment which was never completed.”

The CEO, who was also acting Ombudsman from 1 April to 30 June, noted that many of the complaints received are also a reflection of social ills, involving an unregistered supplier selling guns on lay-by. “Sadly, the customer passed away before he could make the last payment, and when his widow went to ask for a refund of the monies

paid to date, as was her right in terms of the law, she was ruthlessly dismissed and banished from their premises. She and millions like her have little to no recourse when dealing with suppliers who are not registered participants in the Ombud scheme, purely because they are aware that the resources to tackle individual cases of fraud and bad practice are not there. Where suppliers are registered participants, consumers have a much better chance of getting the protection afforded to them under the Consumer Protection Act, like the complainant who wanted to return a mattress after five months and the supplier wanted to deduct for wear and tear. This is not allowed in terms of the CPA, which is clear that goods which fail as a result of a manufacturer's defect within six months must be refunded, repaired or replaced according to the complainant's wishes. Once we pointed this out, the complainant was given a full refund.”

Ms Munyai added that consumers, equally, have a responsibility to check invoices against purchases in the event of a dispute, citing the example of a complainant who tried to return faulty batteries purchased as backup power during load-shedding, only to discover that the invoice reflected a different brand of batteries to the faulty ones he wanted to return ... “In cases like this, it is very difficult to reach a decision on the evidence or a balance of probabilities, and complaints such as this end up having to be dismissed in accordance with our terms of reference.” **SR**

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