



05 November 2020

Tough news on the economic front this week, but once again, our own great industry is doing its bit to keep things ticking over – building infrastructure (Boxer), recruiting key personnel (Massmart) and adding services (Shoprite). Enjoy the read.

RETAILERS AND WHOLESALERS

Boxer Superstores

Big wheels keep on turning

Big news from Boxer Superstores, a shining star in the Pick n Pay firmament, which has just opened its fourth DC, a 15,000m² space in Koppiefontein, near Polokwane. It will support Boxer's 25 superstores in Limpopo and its 14 in Mpumalanga, and will no doubt serve a whole lot more in the years to come. Taking a peek under the bonnet as it were, the facility houses 10,000 storage locations and 2,200 pick faces, with 18 outbound doors for loading and 6 inbound doors for receiving. And really getting into the details now, the DC's machinery will run on lithium-ion batteries, which save energy and reduce charging time. "The benefit of having the stores in this region DC supplied will be massive," says Logistics Head of Department for Boxer's Inland Division Sibusiso Dhladhla, "And the frequency and service levels will ultimately benefit our end customer, the Boxer shopper, which is great."

Comment: Have we ever mentioned how much we love the supply chain? A latecomer to the notion of centralised distribution, the PnP Group has embraced it warmly in latter years, to its great benefit.

[Tatler Reporter 03/11/20](#)

Massmart

Mile after mile

We generally devote a line here or a line there to news of executive appointments among our retailers, unless the appointment points to a larger shift in the strategy or fortunes of the business concerned. And thus it is now: with the appointment of Theodore Sylvester John, recently Walmart's North America vice-president for last-mile delivery, to lead the e-commerce business. "We have placed high priority on investing in, and improving, our e-commerce competence," says fellow US transplant and CEO Mitch Slape. "To achieve this, we are extremely lucky to be able to draw on Walmart's extensive knowledge and experience (and) Sylvester's assignment is further evidence of their support." Massmart has indeed gone all-in on the omni-channel and e-commerce business, having got a head start on click-and-collect and beefing up last-mile with the acquisition of Wumdrop in 2017.

Comment: Walmart's involvement seems to go above and beyond the mere protection of an investment. If you ask us, it's playing a long game on the African continent, with Massmart as the bridgehead.

[IOL 23/11/20](#)

Shoprite

Making bank

A mixed bag from the Big Red One this week. First up, its bringing more financial services to its punters with an arrangement with FNB where customers who have lost their FNB Easy bank cards through theft or negligence will now be able to replace these for a comparatively low fee at Shoprite and Checkers stores. Currently, Standard Bank Instant Money™ account holders can withdraw money at any Shoprite or Checkers till point, and Capitec account holders can send cash to an unbanked individual for collection at any Shoprite, Checkers or Usave. Next: In its first year of operations, the Group's Xtra Savings reward scheme has signed up ten million members, with R333m saved in the last month alone. And finally, Shoprite pharmacy MediRite has donated handwashing kits to schools around East Rand and produced a COVID-19 safety video for wide distribution.

Comment: Covering all the bases this week: loyalty, CSI and value-added services, with a bit of price thrown in. Nice.

[Tatler Reporter 03/11/20](#)

International Retailers

Remember the Troubles

Retail tech outfit Ocado is the business to watch these days, launching a JV with Marks & Spencer, and outstripping even Tesco in value, as we reported just a couple weeks ago. And now its ponying up a cool \$287m for a couple of robotics companies, Kindred Systems Inc and Haddington Dynamics, with a view to beefing up speed, accuracy, product range and economics of its systems. Tesco is providing free fruit and veg to 500,000 needy customers through its Healthy Start voucher system for the next three months. And in Ireland, where it appears they're taking the lockdown seriously, Aldi and Lidl have agreed to end the sale of non-essential "middle-aisle" lines like children's toys, clothes, and homeware to bring themselves into greater compliance with official guidelines after a threatened Government clampdown.

Comment: The rise of Ocado has been one of the most remarkable stories of the COVID-19 era. Which South African businesses play in a similar space?

[Tatler Reporter 03/11/20](#)

Tiger Brands

Earning their stripes

A trading update from the Striped One, who, having warned in August that HEPS might decline by around -40%, has now let it be known that the number will be closer to -30%. This as it reports that there were no supply chain disruptions in August and September, and that demand for many lines, including its breakfast category, its pasta brands, its groceries and its home-care products, has continued healthy. Exports have also been up. In the meantime, it has concluded the sale of its value-added meat products business, selling the Germiston, Polokwane and Pretoria plants to the graphically-named Silver Blade Abattoir, a Country Bird Holdings subsidiary, for a cool R300m plus, over half of that in inventory. Tiger remains liable for class-action damages resulting from the listeriosis outbreak which shuttered the plants in 2017.

Comment: Good going, that iconic jungle cat.

Supermarket.co.za 30/10/20

Nestlé

Represent!

In good news for a planet that needs some, Nestlé has launched its RE sustainability initiative in South Africa, a campaign aimed at reinforcing the business' sustainability initiatives, strategies and resources to help mitigate sustainability challenges and strengthen its contribution to a waste-free future. Why RE? you ask, puzzled. Simple: three pillars, rethink, reduce and repurpose, and aimed at making sustainability more practical, accessible, motivating, and rewarding for everyone – industry, civil society, consumers and government alike. A quick summary of each of the three: Rethink involves educating the public in such practices as water conservation and recycling; Reduce focuses on Nestlé's commitment to bringing its environmental impact to zero by 2030; while Repurpose is about upcycling and reusing materials.

Comment: Comprehensive and catchy. Good stuff.

Engineering News 29/10/20

TRADE ENVIRONMENT

The Economy

Nobody's business

Quarter three of this horrible year saw a big increase in business closures in South Africa, with liquidations increasing +27.4% YoY, and a +54% YoY increase in September. Almost 1,400 liquidations were reported from January through September, with financing, insurance, real estate and business services hardest hit at 428. Equally grim is the news on the unemployment front: the number of employed people decreased by 2.2 million to 14.1 million from Q1 to Q2 this year, 1.2 million of those in the formal sector. Since 5 million non-jobseekers were removed from the workforce, this actually put unemployment lower, at 23.3% – but the unofficial and more accurate figure puts it at 42%. And according to Minister Mboweni, in his medium-term budget, the deficit has more than doubled from 6.4% of GDP last financial year to 15.7% this year.

Comment: A slew of bad numbers. But it helps to know size of the mountain before you climb it.

Tatler Reporter 03/11/20

THE WEEKLY GURU

“Nothing in the world can take the place of persistence. Talent will not; nothing is more common than unsuccessful men with talent. Genius will not; unrewarded genius is almost a proverb. Education will not; the world is full of educated derelicts. Persistence and determination are omnipotent. The slogan ‘press on’ has solved and always will solve the problems of the human race.”

Calvin Coolidge

For further information:

www.tradeintelligence.co.za | info@tradeintelligence.co.za

Editorial:

Nick Paul: nick@tradeintelligence.co.za

Advertising Sales:

info@tradeintelligence.co.za