



08 July 2021

Another week in the hurly-burly of this great industry we call home. Some excellent supplier development news from Clicks, another smart move from Dis-Chem, meat not made from animals, and food you can eat in a video game. Some interesting insights from our research division, and some very welcome news from RCL FOODS. Enjoy the read.

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## RETAILERS AND WHOLESALERS

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### Clicks

#### Make the circle bigger

Supporting the smaller supplier this week is Clicks, with the launch of its new SMME supplier listing portal. The business has a long-standing commitment to supporting smaller and black-owned enterprises, growing local hair care brands on shelf by over +743%, with a significant investment in black women-owned businesses since 2005. These brands include AfroBotanics, AfriBerry and Portia M, all of which have become established and achieved success. “We are committed to removing barriers and have worked hard to implement a SMME trading framework that will ease entry into the Clicks eco-system,” says Group Corporate Affairs Director Bertina Engelbrecht. The framework offers commercial and business support in the form of marketing, promotions, shared shelf space and business mentorship. The Group is targeting a solid spend of R4.5bn with black-owned SMMEs over the next three years.

**Comment:** One of the great and often unsung successes of our retailers has been their support for smaller businesses, both here and elsewhere in Africa. This is how we build an equitable economy.

[Tatler Reporter 05/07/21](#)

### Shoprite

#### On the frontlines

Are supermarket staff frontline workers? According to Shoprite – and it appears, quite reasonably so – yes, they are. Last week, The Big Red One called on the government to allow its 140,000 staff to receive vaccinations, on the grounds that a large number of them are directly serving over 25 million people a month. This as the President announced that mining, manufacturing and the taxi industry would be prioritised for the fourth round of imijovo. “We strongly believe that (our people) should be prioritised and we are ready to roll out vaccinations on behalf of government to our employees who continue to go the extra mile in challenging conditions to keep serving customers,” argues Shoprite CEO Pieter Engelbrecht. The business also stands ready to assist in the broader rollout. “We can help if we can secure and administer vaccines, while absorbing all the costs ourselves,” says Mnr E.

**Comment:** It’s no secret that the South African state needs all the support it can get in serving the South African population. It would do well to take Shoprite up on the offer.

[Retail Brief Africa 29/06/21](#)

### Dis-Chem

#### Yo D-J!

The country’s second-largest chain of drugstores continues to carve out a canny niche for itself without going head-to-head directly with rival Clicks. Witness last week the announcement that it would be trialling a same-day on-demand delivery service, with delivery in 60 minutes on an initially limited range of 7,000 items across health, nutrition, beauty, cosmetic, baby, and electrical products. The business has seen brisk growth in online demand over the last 12 months. “Dis-Chem DeliverD complements our existing online offering, and taps directly into understanding what our customers want, central to which is convenience,” says executive director Saul Saltzman. The service will initially be offered to punters within a 10km radius of an impressive clutch of stores around the major centres.

**Comment:** Excellent work, Dis-Chem. But do we say it “Deliver-D”, like a nineties rapper? Or just “delivered”? We are merely asking.

[Businessstech.co.za 01/07/21](#)

### International Retailers

#### The price of freedom

Walmart and Amazon are going head-to-head in the lucrative market for analogue insulin in the US, where the lifesaving drug is even more expensive than their rapaciously priced health market. Walmart are selling ReliOn NovoLog for up to 75% less than branded products, even as Amazon move into the prescription market, having opened an online pharmacy in November. In the UK, online fulfilment specialists Ocado are continuing their relentless march to world domination with a cool little collab with left-slanted newspaper The Guardian’s Saturday food mag Feast, every recipe in which will carry a unique QR code that will enable readers to shop for ingredients directly from the website. Also in the UK, a lack of lorry drivers and farm workers, COVID rules, and soaring shipping costs, but definitely not Brexit, have created insane price spikes on some lines and what a friend has described as “weird shortages” in others. And in cyberspace, Carrefour has launched a Healthy Map on Fortnite, enabling players to heal themselves and gain more energy by eating fruit, vegetables and fish, procured from an eco-friendly Carrefour store of the future.

**Comment:** A huge relief for parents the world over then.

[Tatler Reporter 06/07/21](#)

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## MANUFACTURERS AND SERVICE PROVIDERS

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### RCL FOODS

#### Surfin' bird

A trading statement from RCL FOODS, the business formally known as Rainbow Chicken, which has spent considerable blood and treasure diversifying out of its one-time namesake. It appears that for the year through June, they expect headline earnings per share ("HEPS") – a reliable measure of profitability – to barrel in at 90c per – an improvement of +592% on last year's performance. The expected improvement in RCL's results is driven mainly by a strong recovery in Sugar and Baking as well as Vector Logistics, and a continued solid performance from Grocery, according to the Group. And what of chicken, that most productive of all fowl, and South Africa's unofficial national bird? The chicken business continues to focus on its turnaround plans, which should deliver benefits in the next financial year, says RCL.

**Comment:** An object lesson in patience, a steady hand at the helm, and the willingness to stare down the more restive shareholders, who have long been asking questions like "How much?" and "When exactly?" Nice work from an iconic and even visionary local business.

Tatler Reporter 06/07/21

### Plant protein

#### Peas on earth

Beyond Burgers: what are they really made of? The humble yellow pea, from which a highly versatile protein is extracted that as it turned out may be turned into anything, from Italian sausages to a very convincing hamburger. The not-particularly appetising powder was originally used in energy and performance foods, but is the hottest property on global commodity markets right now, doubling in price over the last year even as global production soars by over +40%. And where pea protein is growing in popularity, questions are being raised about soy – the fact that it's often genetically modified, that some people are allergic to it, that it has connections to the deforestation of the Amazon rainforest.

**Comment:** Unfortunately, the rise in popularity of plant protein is being mirrored by an increase in the production and sales of meat for a growing world population, thus defeating at least one of the objects...

Retail Brief Africa 05/07/21

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## TRADE ENVIRONMENT

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### Promotions

#### Basket case

According to Trade Intelligence Research, the South African shopping basket has seen some interesting changes over a year of disruptions: some baskets are smaller, as many South Africans are now without their earlier COVID-19 grants, and where they are larger, they are frequently filled with products included in combo deals and multi-buy promotions. These multi-buy promotions are seen by retailers as a strategy to drive basket size, and by shoppers as an opportunity to pantry load on their favourite products, while stretching every rand as far as possible. So, do our beleaguered shoppers have the wherewithal to cash in on these deals? Short answer, not always. Recent multi-buy promotions positioned for the relatively quiet mid-month period saw mixed responses from shoppers, with the same promotions by one retailer cleared out in some stores, yet unsuccessful in others. In these low engagement stores, shoppers complained about the poor timing of these multi-buy promotions, as they require significant investment – which for many households is only available at month-end payday. If you are after a better understanding of shoppers and how to attract them on the shop floor, have a look at our recently updated and enhanced Shopper Marketing at Retail report [here](#).

**Comment:** Successful promotions are a delicate balance, where, particularly in our context, timing and geographical location are just as critical as product and price.

Trade Intelligence Research 06/07/21

## THE WEEKLY GURU

"There must be a way to get more of these in me faster, thought the inventor of pea soup as he sat eating peas."

Dana Gould

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