

# SUPERMARKET & RETAILER

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Business knowledge for smart retailers  
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**Refrigeration  
sustainability**  
... with innovative tech  
& progressive design

**Cold Beverages**  
... Always in motion

**The Metaverse**  
... Advertising & the  
future of marketing



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- BOPIS/BOPAC
- Direct store delivery and route accounting

\* Some features available in a future release. Contact your Zebra Partner or sales representative for more information.



## FEATURES



Image: Danfoss

### Refrigeration insights ... 2022 and beyond

Ann Baker-Keulemans looks at the latest tech and designs on offer, as well as efficient, sustainable, and cost-effective refrigeration and cooling systems. Depending on the nature of retail business, in-store refrigeration can occupy as much as half of retail space and a big chunk of the electricity bill every month.

### Cold Beverages ... A sip in time



Image: Karolina Kabowska, Pexels

Like many retail categories, the Cold Beverages industry did not escape the Covid-19 pandemic unscathed. Now, the market should have been well into a recovery period. However, the current socio-economic climate has caused some further upheaval with increased input costs, supply delays, and load shedding all taking a toll on the industry.

# Contents

## STOREWATCH

### In-store innovations

Makro & Pernod Ricard partner to bring the first Makro Distillery Digital Experience, exclusive to Makro Woodmead.

### Sustainability

Chikka Chicken aims to ensure that customers not only get great-tasting chicken but are also assured that their favourite meal is produced in a way that continues to reduce its impact on the environment.



Image: Omran Jamal, Pexels.

## COLUMNS

### Delight your customers

Aki Kalliatakis says that added value for people comes in so many different ways that it's hard to actually keep up with it. There are thousands of actions a business can take to do something nice for customers. Your primary job is to simplify things for your customers and for your team.

## NEWS



### The metaverse ... advertising & marketing

Is a convergence of technologies and experiences that will transform our world as we know it. It is the combination of augmented reality, virtual reality, and the internet of things (IoT), all accessible through a single interface.

### Retail trends | 2022 & beyond

Physical stores will become critical touchpoints. Some pandemic shopping behaviours are here to stay. Consumers are turning to less traditional shopping platforms such as Instagram and TikTok, while commerce companies are exploring the metaverse. There will be satisfying new ways to shop and convert shoppers into customers.

### Nailing the 'P' in promotional days

What retailers need to focus on as the 'silly season' gears up for all-sorts of promotional days and the importance of capitalising on purchase power

### E-commerce ... Key SA grocery trends

The average South African household food basket increased by 14.8%. Despite this, SA consumers' perceptions of grocery costs have improved over time, suggesting that consumer sentiment is driven by more than just price.



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# Why products need to go through product chemistry testing

Consumers are more aware of food safety than ever before, and are hyper-aware of what ingredients are used in the products they purchase. Together with this increasing consumer awareness, the regulations that govern food safety are constantly evolving to ensure public health and safety – which highlights the need for businesses to ensure that they remain compliant and adhere to the laws required, through rigorous product chemistry testing.

## What is product chemistry testing – and when is it done?

Before any foodstuff can be sold, it needs to go through the product chemistry testing process, which assesses the quality and composition of food products to ensure regulatory compliance. This chemical analysis process confirms the contents of the food that is manufactured – including chemical composition, and potential contamination.

## Why is product chemistry testing important?

Product chemistry testing is vital to ensure regulatory compliance, and to understand the quality and composition of the materials used in products. Elements that are analysed include nutrients (such as sugar, fats, and protein), levels of moisture (which can affect the shelf-life of the product) and toxic substances (such as mycotoxins and biotoxins).

“ Without thorough product testing, brands can't provide consumers and regulators with the correct product information – and the exclusion of testing for elements such as allergens, could cause illness or death in consumers.

If the product is not adequately analysed and tested, additional risks can arise that affect the brand – including product recalls, legal action, and potential harm to consumers. ”



## Building trust in brands through thorough product chemistry testing

By ensuring that you partner with a reputable product chemistry testing lab – such as **Assurecloud** – testing can be done close to the source with minimal impact on transport and storage of samples; ensuring the quickest, most accurate result.



**Assurecloud**

Transparency and continued product chemistry testing will ensure that brands are compliant – and continually work towards building and growing a brand reputation on trust. **SR**

Image courtesy of Olia Danilevich, Pexels.





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# Happiness is ... an ice cold drink on a hot day



Helen Maister

**O**h my word! It is hot. We have skipped spring and headed straight into heat of summer.

Luckily, we are talking all about all things cold and cooling – This is the Refrigeration and Cold Beverage issue.

Depending on the nature of your retail business, in-store refrigeration can occupy as much as half of your retail space. It is also a significant chunk of your electricity bill every month, which is why innovative technology and a focus on energy-savings is crucial. Eye-catching displays that are aesthetically pleasing and functional are also critical to driving in-store sales. South African retailers have access to suppliers and manufacturers of refrigeration technology that are at the top of their game.

In this feature, we look at the latest tech and designs on offer, as well as efficient, sustainable, and cost-effective refrigeration and cooling systems. From

“Summer breeze makes me feel fine”



Image courtesy of Pexabay, Pexels.

innovation and smart technology to superior design and extensive testing, these suppliers are using their wealth of knowledge, industry experience, and technical knowledge for efficient, sustainable, and cost-effective refrigeration and cooling systems and related services. Here, we give the retailer a complete overview of the competitors in this market. We detail what their USP are so you can make the best choice for your store.

According to the latest data gathered by BMi Research, demand for non-alcoholic beverages saw some decent recovery in 2021. Across most subcategories, prospects to the end of 2022 and beyond were also looking promising, despite ongoing challenges and unexpected obstacles. The latest BMi statistics suggest that the majority of non-alcoholic ready-to-drink (RTD) beverages which were negatively impacted by tougher than expected economic conditions in 2021 and ongoing Covid-19 restrictions, are starting to see signs of recovery.

Like many retail categories, the Cold Beverages industry did not escape the Covid-19 pandemic unscathed. Now, with a return to school and in-office or hybrid work situations, as well as the rescinding of lockdown restrictions on gatherings, the market should have been well into a recovery period. However, the current socio-economic climate has caused some further upheaval with increased input costs, supply delays and load shedding all taking a toll on the industry. Find out what is happening in all sub-categories in the article.

Helen Maister

**Helen Maister**





As seen  
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don't just touch,  
**sani-touch**





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

Aki Kalliatakis

aki@leadershiplaunchpad.co.za

If I throw an egg to you from a short distance away, there's a good chance you could catch it safely. Now what if I added another one? And a third one? You may succeed with one egg, but your chances of catching six eggs without breakage are at best remote, at worst extremely messy and embarrassing.

That's what it's like in the world of retail ... whether it's an overwhelming choice of products, or a flood of advertising and promotions, or even a new set of rules that are downloaded from head office, it's hard to keep up with all the changes. Your primary job is to simplify things for your customers and for your team, because no matter how much extra value you may feel you are giving, you have to remember that, as Simon Sinek put it, "value is something that people feel, not something we tell them they get."

# When an egg is more than just an egg

“It's hard to keep up with all the changes in the world of retail. Your primary job is to simplify things for your customers and for your team.”



“Value is something that people feel, not something we tell them they get.”

Simon Sinek

Added value for people comes in so many different ways that it's hard to actually keep up with it. There are literally thousands of actions a business can take to do something nice for customers. Just as I was finishing this article I was visited by a security technician who was ostensibly there to replace a battery for my gate motors. He could have walked in, done

his work, sent an invoice and everybody would be happy.

But he didn't. First he was friendly and courteous, and asked if I had the time for him to show me something.



He opened the 'black box' and explained how it was laid out, and how things worked. He showed me how to self-diagnose the problems if they came up, and even demonstrated how easy it is to replace the battery.

"It's probably cheaper for you if you go buy one next time and just do it yourself," he said, knowing full well that he was potentially losing easy business in the short term. But what he gained was something even more important ... an immediate commitment to upgrade my system – and even more important than that, my trust and sense of reassurance. Truth be told, I'm just eagerly waiting for someone to ask me if I had a good security techie that I could recommend so I can share him with my friends.

Although this kind of thing doesn't happen often, it does happen once in a while. For example, my local builders' merchant spent 15 minutes telling me how to install a diamond mesh fence so that my neighbour's pit bulls couldn't come into my home. And my favourite butcher taught me exactly how to make biltong the way I like it, and without building a huge and expensive contraption.

Gifts to customers don't only come in the form of physical presents like the 'baker's dozen', or 'buy 15 get 1 free', but also in terms of some great advice and tips too. In some cases, counter-intuitively, they also involve extra effort from the customer, but that in itself is what makes them special.

I remember when my kids were young, and the local pizza shop allowed kids to make their own

pizzas. The results were usually a disgusting mess, but they loved it anyway because it was something they had built themselves. It's also why we prefer to personally wrap the presents we give to the people we love. The meaning lies in the act of doing something special.



Ernest Dichter recognised that cake mix sales could be increased by exploring housewives' emotions towards their families.

Enter Ernest Dichter, a market researcher and psychologist who finally had the idea of observing mostly-ignored housewives, and even asking them about the use of pre-mixed cake. After exploring their emotions and motivations around baking cake for their families, he reported that the very simplicity of mixes – just add water and stir – made women feel self-indulgent and guilty.



We've also all heard the case study from General Mills where the pre-mixed cake products launched in 1947 started to sell very well. They offered convenience, they were tasty, and almost fool proof, and sales between 1947 and 1952 doubled. Nothing too disappointing in that.

However, somewhere around 1956 and 1960 the growth did not continue to rocket as anticipated. Debates amongst the marketing people went backwards and forwards.

There wasn't enough effort involved in doing something special for their families.

His suggestion was to add one more step – add fresh eggs – and then stir and mix, and sales took off again. Leaving out the dehydrated eggs made the world of difference. (There were also reports that the use of fresh eggs also changed the flavour of the cake to make it less 'eggy' and the cakes also tended to stick less in the pan. Customers thought it was a better cake.)



# Ensuring fair play between suppliers & consumers

“ Business owners should view us as a partner whose mission it is to promote mutual beneficial relationships between them and their customers. ”

Queen Munyai, CEO  
Consumer Goods and Services Ombud



Queen Munyai



The Consumer Goods and Services Ombud (CGSO) is an impartial, independent dispute resolution scheme. We serve as a mechanism for the industry to manage its own disputes rather than referring every unresolved customer complaint to the National Consumer Commission (NCC) for investigation.

## WHAT WE DO?

We receive and assist in resolving consumer complaints against members (participants) of the Consumer Goods and Services Industry in terms of the CPA and enforce the Industry Code of Conduct.

## HOW TO SIGN UP

If you would like to know more about becoming compliant with the CGSI Code, please call us on **+27 (0)11 781 2607** and a CGSO business development officer will take you through the registration process, or you can visit the CGSO website [www.cgso.org.za](http://www.cgso.org.za) and register online.

## WHO MUST REGISTER?

- Retailers
- Suppliers
- Wholesalers
- Importers
- Distributors
- Manufacturers





Many analysts have explained this phenomenon, but they all come to the same conclusion ... when you are personally invested into a process, when you participate more, you tend to be more motivated and committed. The key innovation was not the adding of a fresh egg or two, but rather the repositioning of baking and domesticity ... all the reward and pleasure, but without the fuss of baking everything from scratch. Appearance was everything.

And then, for the 'wrapping'. The housewife could also create her own masterpiece with different shapes, and your own frosting, glazes, icing and trims.

So what is it to be ... should you make your customer's life so effortless that they almost have to do nothing to get the rewards? Or should you at least get them to invest a little more of themselves and participate a bit more in the process? As usual, the answer is very much, "it depends."

So while I love saving time and money by not having to physically go shopping – a chore for most men at the best of times – and I don't want to discourage your business from doing home deliveries, it's also a good idea to consider the ways in which you can involve your customers in a bit of extra effort to give them a feeling of accomplishment once they are done. **SR**

**Aki's Biltong, anyone?**

Image courtesy of Pixabay, Pexels.



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Freedom Stationery, Marlin, and Marlin Kids are launching a widespread national campaign aimed at

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With material appearing in newspapers, taxis, commuter stations, TV, social media, roadshows and activations - the campaign will target the mass market to enhance brand awareness, encourage brand switching and most importantly, increase sales.



# Innovative tech and progressive design for increased sustainability

## Refrigeration insights ... 2022 and beyond

Depending on the nature of your retail business, in-store refrigeration can occupy as much as half of your retail space. It is also a significant chunk of your electricity bill every month, which is why innovative technology and a focus on energy-savings is crucial. Eye-catching displays that are aesthetically pleasing and functional are also critical to driving in-store sales.

South African retailers have access to suppliers and manufacturers of refrigeration technology that are at the top of their game. In this feature, we look at the latest tech and designs on offer, as well as efficient, sustainable, and cost-effective refrigeration and cooling systems.

“ From innovation and smart technology to superior design and extensive testing, these suppliers are using their wealth of knowledge, industry experience, and technical knowledge for efficient, sustainable, and cost-effective refrigeration and cooling systems and related services. ”



Image courtesy of Bara Cross, Pexels

### Emerson commercial and residential solutions

Emerson provides a range of automation and commercial technologies and has long been an industry leader in the energy field, constantly refining their energy efficient technology for refrigeration and cold chain, heating and cooling, and controls and monitoring.

Emerson's Copeland ZX Refrigeration Condensing Unit is their most successful global outdoor condensing unit platform with over 100 000 units installed globally in just over ten years. The units offer up to 20% better energy efficiency, resulting in early investment payback. They use Copeland scroll compressors that have proven success, and their application is well suited for supermarkets, wholesalers, the hospitality industry, cold rooms, fast food restaurants and convenience stores.

The initial range, between 2 and 7.5hp, can be used with new generation HFC refrigerant, and the outdoor condensing unit offers up to 15 dBA quieter operation as well as an enhanced appearance. It is also the first in the industry to use an advanced electronics controller for







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### Successful retrofit examples:



Heat exchanger

Highly-efficient ZApus units with ECblue motors. **Estimated savings/year: 25.6% energy savings\***



Supply air system

Efficient space-saving centrifugal fan formation with ECblue motors. **Estimated savings/year: 37% energy savings\***

\* Results vary depending on application, load cycle, the control and installed equipment etc. with many of our RETROfit customers experiencing >60% energy savings

**The Royal League** in **ventilation**, control and drive technology





Shoprite Checkers with an Energy Partners refrigeration solution.

ease of diagnostics and protection. The unit offers enhanced reliability thanks to the Copeland scroll liquid / vapour injection technology

Emerson's next generation Tandem Digital ZX condensing units expand on capacity with models up to 20hp. Digital modulation technology improves energy efficiency further with a reduced on/off cycle, while precise temperature and humidity control enhances food product quality and life.

This model is particularly useful for multi-evaporator functionality and is equipped with an Emerson CoreSense controller for diagnostics and communication capability. The ZX Digital Multiple Evaporator application means less units are

required to ensure efficient refrigeration in every supermarket.

All ZX condensing units from Emerson are equipped with Intelligent Store™ Solutions. This allows the most innovative approach to enterprise facility management through integrating hardware and services and providing a comprehensive understanding of costs, operations, and maintenance needs. An advanced electronics controller leads to improved speed and accuracy of system diagnostics, protection against over-current, overheating, incorrect phase rotation, compressor cycling, high pressure resets and low-pressure cut-outs. The ZX range of condensing units achieves energy efficiency and reliability.

#### Key features

- Reliable
- Cost-effective
- Self-diagnostics
- Reduced downtime
- Reduced maintenance and repair costs
- Slim, lightweight, and ergonomic
- Reduced noise levels
- Decreased carbon footprint
- Accurate evaporating temperature

#### Energy Partners Refrigeration and Energy Partners Intelligence

Energy Utility Asset Manager for Energy Partners (RP) Refrigeration, Coenrad Ehlers, and Head of Business Development for EP Intelligence, Tygue Theron, share how retailers can reduce and actively manage their supermarket refrigeration systems' operational costs, efficiency, and carbon footprint. EP owns and operates more than 15 refrigeration sites on a Cooling as a Service (CaaS) basis. Their customers only pay for the cooling that they consume, whilst EP takes charge of the capital, the servicing and maintenance, and the energy costs associated with the refrigeration plants.

"Managing plants from a total lifecycle cost (TLCC) perspective shifts the focus from a traditional reactive management strategy to taking the initiative and being proactive. This is only possible through the effective and active use of data for decision-making," says Ehlers.

EP Refrigeration and EP Intelligence collaboratively provide retail customers with specialised and





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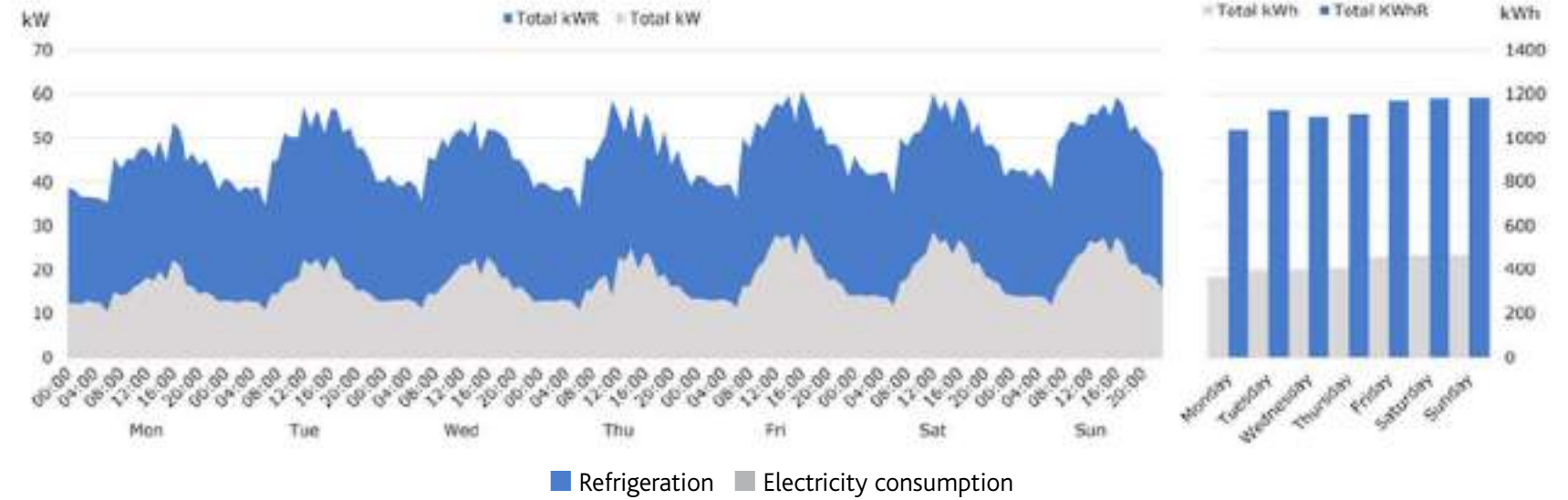
Image courtesy of Energy Partners



intelligent retail refrigeration services. They install (new builds and revamps), service, and maintain refrigeration plants in the most efficient way and, by extension, at the lowest TLCC.

EP Refrigeration specialises in developing digital twin models of refrigeration plants to simulate TLCC in order to fully demonstrate the efficiencies and savings that can be achieved by installing a new, more efficient system. However, says Ehlers, monitoring, recording, and understanding system data is crucial. Plant performance not only deteriorates over time due to general wear and tear of components within the system, it is also due to people changing settings or parameters during breakdowns or even normal service activities.

As soon as these changes are made, the designed efficiency can become compromised. Each change can contribute to the deterioration but at the time, without system monitoring, there is no clear view of the overall impact. Correctly managing your system can prevent significant deterioration



A weekly view of the consumption of a medium-sized supermarket refrigeration.



A lifetime trend view of the COP of a medium-sized supermarket refrigeration system (target vs actual). Note the annual variations due to changing ambient conditions, as well as the increase in actual COP approximately 15 months after implementing a modification aimed at increasing the COP.

in efficiency, reduce downtime, and allow for proactive preventative maintenance and servicing.

To actively manage energy consumption, EP Refrigeration uses data to track the refrigeration plant's system Coefficient of Performance (COP) over time. This information allows active manage-

ment of a refrigeration plant's energy consumption. This includes identifying and addressing visible deteriorations in system COP, as well as pinpointing new opportunities for increased energy efficiency, whilst having the ability to accurately determine the return on investment.



# Environmentally Energy Efficient Future Proof Refrigeration Systems

**CUBO<sub>2</sub>**  
SMART



CUBO2 Smart is a compact, plug & cool, high efficiency CO2 transcritical condensing unit equipped with a brushless DC variable speed compressor with an advanced control system.

**BOOSTER BOOSTER** INDUSTRIAL  
SMKT



The MWT SMKT & MWT Industrial BOOSTER product lines are high efficiency CO2 transcritical systems that can be configured as MT only or booster MT/LT.

The modular design allows for superb customization as well as system optimization for control, configuration and layout. This makes the MWT SMKT/Industrial range the best option for supermarket & industrial applications.



SCM Ref Africa, distributed through Metraclark supplied Natcool with a MWT SMKT BOOSTER CO2 transcritical system for Pick n' Pay in Randfontein.

The system supplied is a high efficiency 6 compressor MWT indoor Booster LT/MT unit. (3xMT+1xIT+ 2xLT)



**Key features**

- EP Refrigeration Asset Management Team actively monitors sites to investigate temperature trends or refrigeration plant parameters to determine potential gas leak and their location
- Identify gradual ice-ups of refrigerated areas/coils and address the root causes before these translate into temperature compliance issues, consequent stock losses, and damage to the refrigeration plant
- Monitor ambient temperatures and the store's energy intensity and comparing this to refrigeration energy consumption
- Measure savings of various implementations such as store refurbishments and where to invest for highest impact
- Portfolio analytics. With thousands of data points across a consolidated group being measured, store anomalies (outliers) can be identified and rectified
- Understanding turnover versus energy cost
- Understanding turnover versus refrigeration footprint (m<sup>3</sup>)

**Refrigeration and intelligence**

Understanding the need for efficient, effective, and inclusive intelligence and monitoring of refrigeration and cooling systems may seem simple. You need to know how much energy you are using, how much that energy is costing you, and where you can cut costs. But in reality, that is just the tip of the iceberg. For Tygue Theron, Head of Business Development at Energy Partners Intelligence, leveraging data to reduce energy consumption in supermarkets makes absolute sense.

Theron says, "Supermarkets contribute significantly to global energy consumption and greenhouse gas emissions. Anywhere from 50-60% of a supermarket's total energy consumption and cost lies in the application of refrigeration/cooling. Other consumers of energy lie in air conditioning (approximately 15%), lighting (approximately 15%), and other activities (10-20%)."



Tygue Theron

“In recent years, various energy-efficiency measures have been implemented to help curb energy usage, carbon emissions, and, ultimately, of course, costs. After having exhausted all current physical energy efficiency measures, it may seem reasonable to believe that any apparent opportunity has been exhausted. However, there are further efficiencies and opportunities to unlock through the intelligent application of data-led strategies.”

“The supermarket industry is incredibly complex in nature. Many supermarket groups have store quantities in the thousands, which differ in size, application, asset arrangement, the technology used, climatic conditions, and energy policy. Each store will have its own opportunities and risks in its found environment (climate, water leaks, behavioural waste,



Image courtesy of Pixabay, Pexels

budgets, billing discrepancies, energy intensities, plant performances). When dealing with operations in these kinds of numbers, management of all stores is critical to maximising efficiency and mitigating the risks that tend to be somewhat overwhelming.

“Reporting and disclosure of non-financial (carbon-related) activities are becoming a compulsory requirement for listed companies and are being formally integrated into International Financial Reporting Standards (IFRS). The potential shareholder/investor will place significant value on the supermarket groups that are actively quantifying risks and converting these risks into opportunity investments to protect the future share price of the stock in question.



“It is virtually impossible to manage or improve something that you do not measure. When dealing with problems of this magnitude and complexity, data will not only allow visibility and informed decision-making for efficiency gains but will also unlock accelerated conversion of risks into opportunities.

“It is paramount to integrate all activities into the greater sustainability strategy, which can be far-reaching, specialised – and incredibly complex to execute. Choosing the correct strategy and having a strong implementation layer is of vital importance.”





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Better planet.**



Cooling-as-a-Service, combined with natural refrigerants, addresses both the direct and indirect contributions refrigeration systems make to global warming, while providing end-users with the lowest life cycle costs.

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[refrigeration@energypartners.co.za](mailto:refrigeration@energypartners.co.za)

We are a level 4 BEE accredited provider



Image courtesy of Eduardo Soares, Unsplash



### Glacier Door Systems

Glacier Door Systems offers a dedicated focus and understanding of the refrigeration industry, while manufacturing specialised glass doors for refrigerated applications. Glacier provides glass processing, insulated doors, shelving, and insulated panels.

Close the case technology has been proven to increase energy efficiency, reduce costs, and improve the hygiene and shelf life of refrigerated products. Airshield Glass Doors are designed as a retrofit solution for existing display

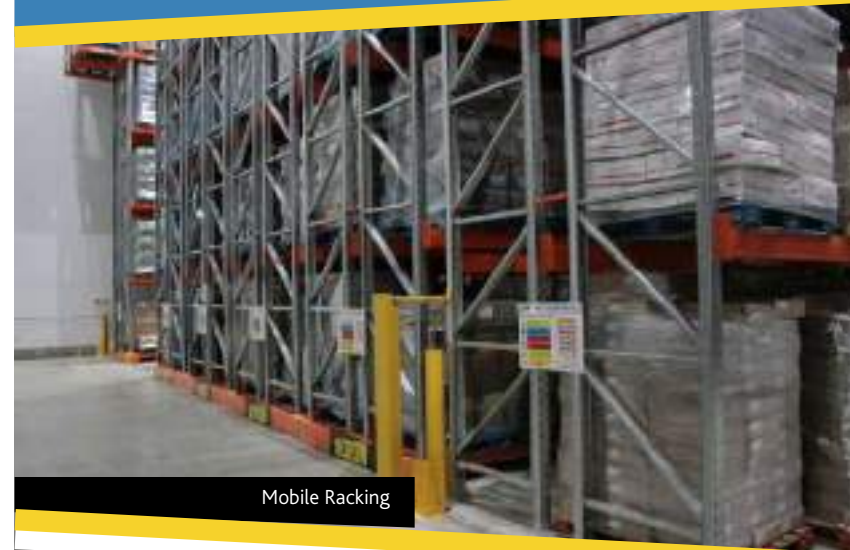
cases, offering up to a 40% energy saving, which is significant given the ever-increasing energy costs retailers are facing.

#### Key features

- Reduced energy consumption
- Extended product shelf life
- Double glazed Argon-filled void for superior insulation
- Optimal product temperature
- Spring-loaded glass doors
- Solutions for new cabinets or retrofitted onto existing cabinets
- Less cold air spillage results in warmer aisles
- Optional Mullion LED lights and door hold-open brackets
- Heated option on Standard Airshield Doors to suit coastal conditions
- Integrated full-length handle option



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Glacier's Infinity and Infinity Integrate Glass Doors are designed with edge-to-edge glass and a screen print border. This allows for increased visibility and a modernised look and feel. The Integrated Glass Door also incorporates a full-length profiled handle.

Low Temperature Eco Leaf energy saving doors comprise a heated door and architrave with a thermal break on the inside of the door frame.

### Key features

- Architraves are fitted with anti-sweat heaters
- Glass is 4mm safety toughened on the inside and outside
- Argon gas-filled for efficient, effective insulation
- Low temperature doors are fitted with a heated front glass and a clear rear glass, both safety toughened.
- Energy-saving LED 22W, 6000K, LED lights are fitted on the inside of the architrave in a closed polycarbonate light diffuser



Image courtesy of Staycold

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**Staycold International (Pty) Ltd**

Staycold is one of Africa's leading manufacturers of commercial refrigeration, specialising in self-contained display coolers and freezers. An innovative company, they offer technical excellence, class-leading refrigeration performance, and energy saving design.

Staycold's new SD1140-FLC Fast Lane Cooler challenges the status quo in the retail space.

With best in class pack out volume, flexible shelving on either side of the self-closing doors, and a robust durability, this is a product for retailers to consider. Eco-friendly insulation foam, EC (electronically commutated, combining AC and DC voltages) brushless fan motors, and Pathway to Net Zero compliant R290 refrigerant make this solution an efficient and sustainable option for the future. In addition to this, LED downlighting provides maximum visibility and makes this cooler suitable for high traffic locations such as till points and till aisles.

**Key features**

- Flexible shelving configuration
- R290 refrigerant
- Self-closing doors
- Significantly reduced energy consumption
- Eco-friendly insulation foam
- EC brushless fans used on both evaporator and condenser

Image courtesy of Staycold



The SD1140 Double Sliding Door Beverage Cooler has provides durability, reliability, performance, and efficiency in the upright beverage cooler market. It offers a robust design, classic lines, self-closing doors, and notable energy efficiency. This unit was built with tough environments in mind and can keep products cold in ambient temperatures above 40°C. Products are clearly displayed due to the Low-E (low thermal emissivity glass), keeping condensation to a minimum and the dual internal LED lights and the back lit header panel visible, which has an effect of making the products 'pop'.

**Key features**

- Durability, reliability, performance, and efficiency
- Available in 'Pathway to Net Zero' hydrocarbon R290 refrigerant
- LED lighting including dual internal lights for maximum visual impact and robust, backlit header panel for maximum marketing visibility
- Operates in the toughest of environments (>42°C ambient temperatures)

- Digital energy management device and thermostat ensures accurate temperature maintenance and energy efficiency
- Also available in single door and hinge door variants

Staycold's HD690F Single Door Display Freezer has been a mainstay in the display freezer market for many years now. Able to operate in high ambient conditions, and incorporating heated doors and frost-free operation, the unit also offers high grade internal LED lighting and an illuminated backlit header panel to ensure maximum product exposure. A digital energy management device and thermostat ensures the temperature remains stable.

**Key features**

- Digital energy management device and thermostat ensures accurate temperature maintenance and energy efficiency
- Frost-free operation
- Heated doors ensure no fogging or condensation
- Also available in double door variant **SR**

**Sources:**

[www.emerson.com/en-gb/](http://www.emerson.com/en-gb/)  
[www.energypartners.co.za](http://www.energypartners.co.za)  
[www.glacierdoors.co.za](http://www.glacierdoors.co.za)  
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In 2016 Insulated Structures launched their first 410A Aqualoop system, which over time has been perfected to operate at maximum efficiency. Due to its efficiency and low maintenance cost, this system has been installed across South Africa and neighbouring countries, such as Botswana, Eswatini and Namibia.

With the harmful effects traditional refrigerants pose on the environment, and our responsibility as leader in high efficiency refrigeration systems, Insulated Structures in partnership commenced developing the GreenLoop system in November 2020. R290 was the chosen refrigerant due to its ODP value, as well as its thermos physical properties.

***The decision did not come without challenges!***



The limitation of the refrigerant charge meant that new evaporator coils had to be developed and manufactured. The design was tested and perfected in laboratory conditions in our Cape Town factory. The COP results and temperature compliance achieved exceeded our expectations.





Celtisridge Spar and Tops, a Spar North Rand Div., invited Insulated Structures in April 2021 to tender on their existing store to be revamped. The scope of work included new equipment such as Cold and Freezer Rooms, Cabinets, Airshield Glass Doors fitted to the cabinets and a new Aqualoop refrigeration plant.

Our retail area solution to the customer was as follows:

- New 800 Series Upright Fruit and Veg Cabinets.
- New Lofty Upright Dairy and Coldrinks Cabinets.
- Refurbished Meat Upright Cabinets.
- Premium Airshield Doors fitted to all Uprights.
- Self-Contained Island Freezers.
- Newly developed GreenLoop Refrigeration Solution.

Insulated Structures was awarded the project after a successful presentation. The team installed energy meters to the existing refrigeration plant to monitor energy usage before and after revamp of the retail area and new refrigeration plant installation. The project was completed in different phases. The Greenloop simplified the installation and down time of the cabinets, due to the existing plant being R22 medium temperature and 404 low temperature Multiplex.



**Images:** Upright Cabinets fitted with Premium Airshield Glass Doors. Fitment of the mentioned doors reduces the energy usages by approximately 40%.

The energy results shown before and after yielded a total saving of 32,2% year on year between the traditional multiplex vs the GreenLoop system.

This was achieved by the ability of the DC compressor's variable speed capability to maintain setpoint, less defrost requirements due to the evaporator's efficiency and the fitment of Airshield Doors to the Upright Cabinets excluding the Fruit and Veg Cabinets.

Insulated Structures would like to thank the retailer, Mr Gabriel Goncalves, and Spar North Rand for the opportunity to work with them on this exciting project.



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# A sip in time

## Cold Beverages ... Always in motion

Like many retail categories, the Cold Beverages industry did not escape the Covid-19 pandemic unscathed. Now, with a return to school and in-office or hybrid work situations, as well as the rescinding of lockdown restrictions on gatherings, the market should have been well into a recovery period. However, the current socio-economic climate has caused some further upheaval with increased input costs, supply delays, and load shedding all taking a toll on the industry.

In an Insight Survey report overview (South African Carbonated Soft Drinks Industry Landscape Report 2021) published on Bizcommunity.com, it was reported that, "In terms of the South African market, the local carbonated soft drinks market achieved growth of 4.1% year-on-year, in current prices, between 2020 and 2021. Furthermore, the market is expected to grow at a compound annual growth rate (CAGR) of 5.8% between 2022 and 2026. Interestingly, as the Covid-19 restrictions ease, on-trade consumption is predicted to grow at a CAGR of 8.3% between 2022 and 2026, compared to 4.9% for off-trade consumption."



Image courtesy of Wagner Soares, Pexels

This is compared to a CAGR of 3.6% between 2015 and 2019. According to the Insight Survey report, the local carbonated soft drinks market saw an improvement in 2021, after being negatively impacted by the Covid-19 pandemic in 2020. For example, The Coca-Cola Company recorded a 9% decline in global sales, for the 2020 calendar year.

There have been some interesting, new, and innovative product launches in the local market to stimulate consumer interest and keeps up with rapidly changing consumer tastes and trends.

### **The current state of the cold beverages category**

Khathu Musingadi, Senior Research Analyst at BMi Research, shares some valuable insights into the current state of the Cold Beverages category with us.

According to the latest data gathered by BMi Research, demand for non-alcoholic beverages saw some decent recovery in 2021. Across most subcategories, prospects to the end of 2022 and beyond were also looking promising, despite ongoing challenges and







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unexpected obstacles. The latest BMI statistics suggest that the majority of non-alcoholic ready to drink (RTD) beverages which were negatively impacted by tougher than expected economic conditions in 2021, and ongoing Covid-19 restrictions, are starting to see signs of recovery.

The past two years have seen a decline in discretionary spending, as well as reduced holiday activity, with sporting events at both an amateur and a professional level suffering, and even school activities curtailed.

As children have returned to school full time and food services begin to recover, the tide is turning. On-consumption demand, particularly for premium beverage brands, constitutes a significant proportion of the non-alcoholic beverage sector.

“In 2021, non-alcoholic beverage categories were particularly impacted by rising input prices, which resulted in above average price increases in selected categories. Stage 4 loadshedding also had a knock-on effect on production activities for some categories, while riots and business damage in KwaZulu-Natal and parts of Gauteng in the third quarter, and higher than average rainfall and cooler weather in the fourth quarter of 2021, all resulted in lower demand,” explains Musingadi.

“As the environment normalises, demand is picking up, although volume and value recoveries from 2020 have in some instances not met expectations.”



Image courtesy of Gerardo Manzano, Pexels

### Sports drinks

The RTD sports drink category saw healthy growth in both volume and value in 2021, but sales volumes remained below what was expected. Musingadi reiterated that volume growth was off a low 2020 base, which was negatively impacted by the Covid-19 pandemic. “The easing of lockdown restrictions in 2021 led to consumers becoming

more active again, while amateur and professional sporting leagues – where RTD sports drinks feature prominently – started up again,” she says.

Offering an explanation for this, Musingadi points out that the tougher economic environment means that consumers are focusing on cost- and value-based purchases. Given the price point of sports drinks, their recovery will most likely continue to be hampered by the ongoing economic hardship. In order to make inroads, sports drink manufacturers may look at introducing added nutritional benefits focusing on illness recovery or even boosting the immune system.



### Energy drinks

The RTD energy drink category continued to exceed expectations in 2021, recording both volume and value growth compared to 2020. Musingadi reports that value-based local brands, in particular, continued to have a positive impact on the category, with aggressive pricing activities driving demand and attracting new consumers. “More expensive, imported brands did not enjoy the same high growth as local brands,” she says. “Energy drinks are regarded as offering a value-add when compared to similarly priced beverage alternatives.”



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“At the same time, 2021 saw a number of new players, which helps to keep consumers interested in the category.”

Energy drinks are an interesting category as, despite a relatively higher price, they do remain popular across the LSMs and with a diverse range of consumers. Promising to deliver an energy boost for everyone from exhausted parents to students, manual labourers, nightshift workers, and anyone with their nose to the grindstone at work, additional nutrition benefits such as extra protein, ginkgo biloba, or a range of other ingredients make these an attractive option for many consumers.

### Sparkling soft drinks

BMI reports that, despite aggressive promotional activity during 2021 aimed at regaining ground lost in 2020, the sparkling soft drinks category saw only muted growth in 2021. Following the larger trend towards bulk buying, larger pack sizes are reported to be driving volume recovery as they are deemed to be more affordable in terms of Rands per litre. There is good news, however, as the category is expected to perform well over the medium term as economic activity continues to gain traction. Convenience and on the go pack sizes should also perk up and the category as holiday and festivity plans ramp up towards the end of the year.

According to the Insights Survey on Bizcommunity.com, “More South African consumers are opting for healthier carbonated soft drink (CSD) products, including those that contain less sugar, as well as products that advertise functional benefits.



Image courtesy of Shardar Tarikul Islam, Pexels

However, this health focus does not mean that South African consumers are willing to compromise on taste, with more consumers specifically seeking out healthy CSD products that also offer appealing flavours. For instance, Coca-Cola No Sugar, which is showing good growth in South Africa, recently launched a new recipe that promises consumers a taste more like the original Coca-Cola.”

This trend is reflected in Whole Earth’s Organic Elderflower drink, which contains no sugar, as well as containing elderflower, which provides immune-boosting properties; Monatea’s Lightly Sweetened Hibiscus Berry and Buchu Sparkling Tea, which contains hibiscus petals that provide an antioxidative effect; and aQuellé’s Khula range, low in kilojoules and created using aQuellé’s unique spring water. The range is available in a variety of flavours, including cola, ginger burst, cream soda, and raspberry.

### Iced tea

According to BMI statistics, iced tea was the only ready to drink category that did not see a recovery in 2021 after the challenges of 2020, declining both in terms of volume and value. The negative performance of the category, according to Musingadi, can be attributed to the relatively higher average selling price of iced tea products compared to other beverage alternatives, which has resulted in a shift to other beverages; the slower than expected economic recovery which negated the sales potential of premium beverage alternatives, and the fact that the category is not receiving the required promotional pricing and support which is further contributing to substitution with alternatives.

“The iced tea category is not currently attracting new consumers,” she points out. To reverse the category’s downward trend, iced tea brands will need to invest in brand building, communicate a benefits reason for consumers to choose iced tea



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over other drinks, and justify their higher cost to consumers.”

Keeping this advice in mind, retailers can look at marketing that targets mindful consumption, and also look for brands with lower or no sugar, no artificial sweeteners, and either low or no caffeine content. Marketing these benefits to health-conscious consumers would be a good place to start.



Image courtesy of Anna Tarazevich, Pexels

**Bottled water**

Globally the bottled water category has had a tumultuous time over the last two years. Panic buying versus the lockdown-induced decline in the need for bottled water started the upheaval, and things have not truly recovered since.

“Continued selected restrictions towards the end of 2021 meant that consumers were home-based more than normal, consuming tap water which negated the need for packaged water, particularly given that on-the-go pack sizes drive this category,” explains Musingadi, adding that as the economy improves, the local bottled water category is expected to perform better with increased volume growth.

**Dilutables**

According to BMi, dilutables are primarily targeted at lower to middle income consumers that suffered the most from slower than expected economic recovery, lower earnings, and higher levels of unemployment during the pandemic. Value brands within the dilutables category tend to drive the

market, rather than pricier cordials or squashes. In 2021, the dilutables category declined both in terms of volume and value.

“This is an interesting category because typically, when dilutable volumes go up, other ready to drink categories go down in volume – and the reverse

also holds true,” says Musingadi. “During lockdown in 2020, positive demand for dilutables was the result of a good price point, effective promotion, and a perception of value. The decline was largely the result of the higher sales recorded in 2020. The category is expected to recover over the medium term as economic activity continues to improve.”

Dilutables is a category that opens itself to healthier options as well as interesting flavour combinations and cross merchandising opportunities. Premium squashes can be used in home-made mocktails and cocktails, and this creates an in-store marketing opportunity.



Kingsley Beverages recently launched their Berry Crush cold drink, optimising the trend for berry flavours.

**Fruit Juice**

The fruit juice category saw healthy volume and value growth in 2021 and is expected to continue to show good growth in 2022. “The fruit juice industry has benefited from consistent fruit harvests in recent years and stable pricing,” says Musingadi. “As children have returned to school, we have seen a shift away from dilutables





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back towards ready to drink fruit juices, which is benefiting the category.”

The majority of cold beverage categories are expected to see further volume and value growth in 2022, as economic activities continue to improve and are encouraged by aggressive promotional and pricing activity to entice sales, concludes Musingadi.

## Local and global drivers of innovation and exploration



Vitamin enhanced water... A move towards functional beverages means everything, including water, needs to offer more.

Image: Kingsley Beverages



**Healthy options.** Recent sugar tax amendments are not the only factor driving change in the carbonated beverage category, although low-sugar and sugar-free

options remain popular. In North America, for example, Green Cola introduced their signature beverage which combines the taste of cola without

any sugar, calories, artificial sweeteners, or preservatives. Low-kilojoule and caffeine-free beverages have been gaining popularity over the years, but this has been joined by a call for drinks that contain no artificial sweeteners and other chemicals, compounds, and ingredients. Consumers are increasingly looking for alternative, healthier options.

**Brand loyalty and cost** should be weighted equally when considering current buyer behaviours. As noted in other categories, certain consumers will remain loyal to a group of chosen brands, and shop around for the best deals and specials within those brands. Others will be driven solely by cost and will therefore try beverages that had not previously made it into their baskets based entirely on price. It is for this reason that suppliers and producers are attempting to balance nostalgic favourites and brand stalwarts with exciting new flavour profiles, taste sensations, and innovative product launches. For some consumers, experience is key, and they remain in constant search of “the next big thing.” It is, in reality, a fickle and changeable category indeed.

**Store signage and displays** are vital to the success of product launches. Many consumers are still focussed on getting in and out of stores as quickly as possible and tend to be quite blinkered in their approach. They either go directly to whatever they are searching for, or they spend time browsing based on price and store specials. Anything new needs to be well signposted and particularly obvious, or risks being overlooked entirely.



Image courtesy of Alleksana, Pexels

## Sustainability remains a driving factor

Sustainability and recyclability are big topics affecting production as well as packaging. Pushed to the backburner by the current economic climate, retailers should not forget that these concerns will remain with consumers as the current upheaval begins to settle. With national and global campaigns to reduce plastic waste, as well as carbon emissions, and with many international companies embracing sustainable and environmentally friendly strategies, ensuring that local suppliers and white label ranges either maintain or strive to reach these standards is crucial for future-proofing products.





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### Trend watch

International trends are often either short-lived or pass by South African shores completely. Keeping that in mind, these trends in the Cold Beverages category are worth keeping an eye on.



Lychee bubble tea: foodaciously.com

**Bubble tea.** A tea-based drink with tapioca or fruit jelly bubbles, this intriguing delight originated in Taiwan some time ago. Recently, however, it has seen its popularity soaring in countries such as China, Germany, and Brazil, according to Hospitality News and Business Insights by EHL ([hospitalityinsights.ehl.edu/](https://hospitalityinsights.ehl.edu/)). One of the drawbacks for younger consumers is the new addition of low-sugar options as well as soy milk, green tea, and fruit-based mixes. Asian speciality drinks on the whole can also be considered a rising trend.

**Mindful consumption.** Since the pandemic pushed health to the fore, consumers are slowly becoming more mindful of how and what they eat and drink. This is about making healthier choices, having a less detrimental impact on the environment, and also being aware of the emotional and psycho-

logical effects of consuming food and drink.

A drink that is not necessarily completely 'healthy,' but which is enjoyed slowly and with purpose, can be as acceptable to a consumer as a drink that is packed full of added nutrients. Small treats that are high in quality and perhaps not as cost-effective as other options can still be marketed for mindful consumption.

**Protein power.** Certain retailers have already dipped a toe into this pool. Drinks with added protein are attractive to a niche group of consumers, but if a cost-taste-nutrition balance could be achieved, this type of drink could be of value to cash-strapped consumers who just cannot afford to buy animal-based protein to eat every day.



Image courtesy of Binoid CBD, Pexels

**Cannabidiol or CBD.** CBD-infused and CBD-based drinks have been lurking around the fringes of the Cold Beverages category for some time. As interest and acceptance in these beverages grow, we can expect to see

some making their way onto more mainstream shelves and into shopper baskets. Whether this trend makes the grade or fades into 'fad' oblivion will depend almost entirely on the effectiveness, quality, and taste of the beverages available.

This means sourcing and merchandising the brands and products will require some in-depth research and quite probably some trial and error. Proceed with cautious optimism.

### A seasonal upswing

As the weather warms up and summer activities and outdoor sports increase, we can expect to see an upswing in sales. From waters, carbonated beverages and soft drinks, juices, and energy drinks, to iced coffee, tea, dairy-based beverages, functional drinks, and the more exotic drinks like kombucha and moringa, there is an option for everyone. While this is good news for consumers, it does mean that shelf space is at a premium, and retailers must carefully consider to which products and brands their space is allocated. **SR**

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# CASE CLOSED

## Energy Saving Solutions

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

## Air Shield Glass Doors

### Features and Benefits

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

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



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

### The value benefit

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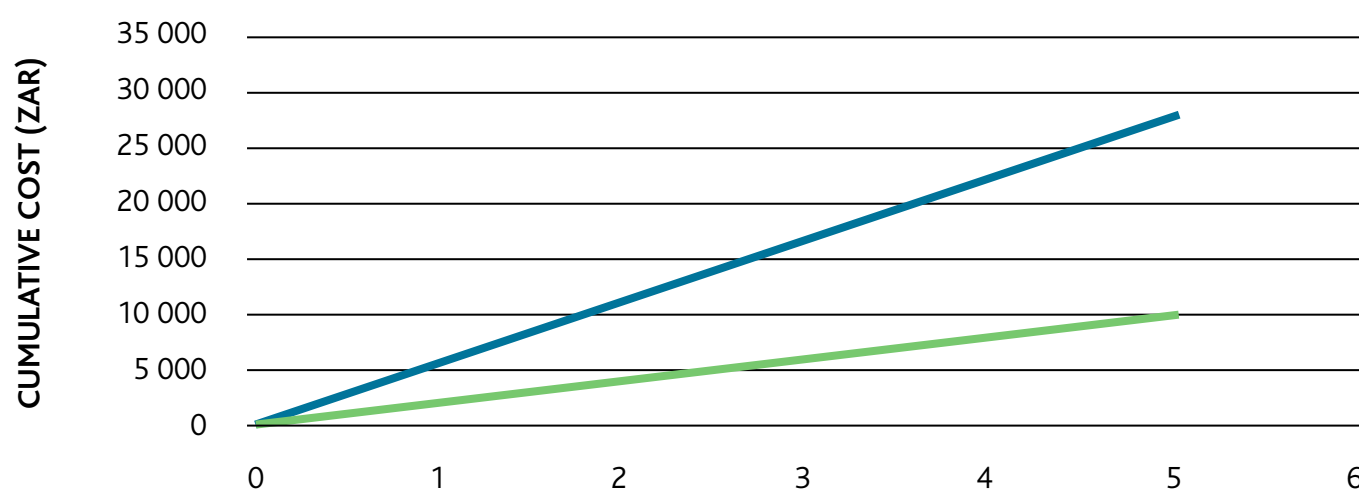
# CASE CLOSED

## Energy Saving Solutions

### Eco Leaf Freezer Doors

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

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



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



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- Makro saves our customers money by enabling them to live better lives.
- Providing consumers with omnichannel experiences.
- Offering premium liquor

**M**akro launched a first in South Africa with a digital premium

liquor experience at their newly revamped Woodmead Liquor Store in Johannesburg North, in partnership with Distiller Pernod Ricard.

The opening event boasted a luxurious cocktail ambiance which hosted Mzansi A-listers such as Anton Jeftha, Kay Sibiyi & Ayanda MVP to usher in the in-store transformation.

Open to the public until February 2023, this in-store immersive digital installation is made up of the Chivas personality test booth, the Glenlivet whiskey pairing interactive station and the Jameson mixology quiz which are all based on applications that customers are familiar with – making it a seamless and engaging customer journey.

“The Covid-19 pandemic has been the greatest accelerator of transformation. Consumers now look for unified physical store experiences that match with their online engagement. Retail establishments are fighting for market share and



one of the ways Makro is trying to distinguish itself from the rest is by offering unique and tangible experiences for the consumer, giving customers reasons to engage and enjoy our brands. We are helping customers to choose and enjoy their favourite brand through an immersive 3-way experience,” said Zain Naidoo, Brand, Creative & Communications Executive at Massmart Wholesale.

According to recent Accenture research, it is estimated that the adoption of digital technologies in retail sector will create about R411 billion in value for the South African consumer industry, consumers and society between now and 2026.

The research further identifies digital themes

such as e-commerce, a digital fulfilment chain and physical store transformation as pivotal to achieving this value.

“This unique, interactive and fully immersive experience has been modelled around a distillery theme which enables shoppers to interact with three iconic whisky brands using state of the art audio and video technologies,” said Ashley Lovell, Head of Consumer Trade at Pernod Ricard.

Digital design features include the Chivas personality test booth, the Glenlivet whiskey pairing interactive tables and the Jameson mixology quiz making this distillery experience a must see.

Another first, was the Brew on Tap craft beer stand. Kevin Maier, Merchandise Vice President at Makro Liquor said, “We want to bring our customers the freshest draft beer at unbelievable value. We have three beers for customers to choose from. We encourage our customers to also keep an eye out for additions to the range including limited editions, collaborations, and guest beers.”





# IN-STORE INNOVATIONS





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## Environmental responsibility for SPAR's Chikka Chicken across the value chain

Sustainability at SPAR, and more specifically their freshly in-store prepared Chikka Chicken, is about joining the dots, not ticking the boxes. By embedding environmental responsibility into every activity in the value chain, Chikka Chicken aims to ensure that customers not only get great-tasting chicken but are also assured that their favourite meal is produced in a way that continues to reduce its impact on the environment.

According to Pianca Meintjies, SPAR Group Home Meal Replacement Manager, instead of viewing sustainability as a standalone exercise in compliance, it sits at the heart of Chikka Chicken's business practices with environmental responsibility incorporated into every activity across the supply chain.

"We emphasise freshness and convenience so most of our products in our Chikka Chicken range are pre-cooked at a central processing plant to ensure consistent quality. When it arrives at the store, it simply needs to be baked or fried, so our customers know they are getting the freshest, tastiest chicken served hot every time," Pianca says.

To ensure this freshness, food and hygiene have always been non-negotiables in the Chikka Chicken production process. Our supplier is internationally accredited to ensure their practices are on par with the best in the world. Over the past few years though, their environmental practices have become just as important. "It's not enough to be compliant. We expect their sustainability practices to be internationally competitive too," she continues.



To meet the ambitious sustainability targets set for Chikka Chicken, the supplier's processing plant has committed to continuous improvement that has resulted in state-of-the-art facilities that boast international FSSC22000 accreditation. "We chose to partner with a supplier which has one of the most advanced plants in the country, if not the world," explains Pianca.

In the past year, the supplier has advanced its wastewater recycling and reuse, is reducing its electricity consumption through solar projects across the business and is now also using organic waste for animal feed.

The most significant results have, however, come from the implementation of new processes for recycling waste.

"We have added a sorting facility on site for our waste streams and so far this year, we are thrilled to have achieved an 86% reduction in waste to landfill." Pianca adds that these changes are over and above the plant's already significant sustainability efforts which resulted in using less oil for frying.

"The factory has invested heavily in state-of-the-art equipment that filters oil so that it can be re-used more than once. The quality of the oil is carefully monitored and as it reaches its end-of-life, it is recycled by certified third-party waste management companies to create biofuel.

"It's also important to us that we offer responsible convenience and that's why our investment has included better packaging options. Whether it's deliveries from our distribution centres to our stores or the final, piping hot takeaway that is handed to our customers, all our packaging is 100% recyclable across the supply chain," she says.







As one of the brands in the SPAR Group portfolio, this is in line with the company's broader sustainability goals. Chikka Chicken is, therefore, committed to helping its customers be inspired to make better choices and find solutions that improve the way they shop.

"As a responsible retailer, we are committed to a sustainable future, and we want to do our part, as caring for the environment is everyone's responsibility.

We also believe in educating our customers by communicating our efforts on our packaging, with the inclusion of the Forest Stewardship Council (FSC) logo which highlights our commitment to sourcing the Chikka Chicken packaging from

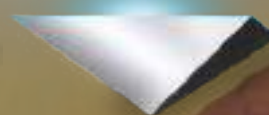


FSC-certified forests and the Group's "My SPAR, Our Tomorrow" logo, a public commitment to the future of our brand and our planet. It is becoming increasingly important to consumers that their food is produced using eco-friendly methods, with our customers in mind we continue to focus on serving up sustainability," Pianca concludes. **SR**



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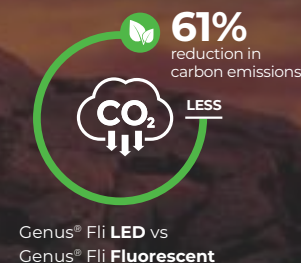
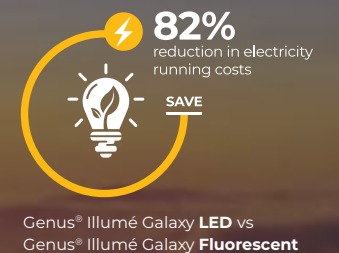
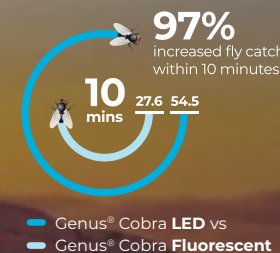
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A look at retail trends for the third and fourth quarters of this year and beyond and what these means for growth.

# Retail trends | 2022 & beyond



**Mike Smollan**  
Chief Growth and  
Innovation Officer  
Smollan

**G**ears switched at the beginning of 2022 as we entered a new phase in a retail eco-system that was still massaging aches and pains and playing catch up with new consumer behavioural patterns evolving as – ‘new ways of doing things’, ‘adaptability’ and ‘having an evolving mindset’, became the rallying cry.

What lies beyond in this ever-changing landscape as we look to the now and beyond – sees physical stores becoming critical touchpoints; how some pandemic shopping behaviours are here to stay; consumers turning to less traditional shopping platforms such as Instagram and TikTok while commerce companies are exploring the metaverse. Together, in the opinion of [www.mytotalretail.com](http://www.mytotalretail.com) – these new ways of doing things will offer consumers far more satisfying ways to shop, while providing opportunities for traders to convert shoppers into customers

Globally, overwhelmed supply chains, supply-demand imbalances and commodity-driven cost pressures as Russia invaded Ukraine, pushed inflation up and put further pressure on



businesses and consumers alike. Despite this, according to a recent Shopify article [June 2022], economists and the National Retail Federation in the US project US retail sales to rise between 6% and 8% this year.

Closer to home, NielsenIQ South Africa released its monthly State of the Retail Nation analysis which shows that total annual retail sales at South African retail outlets were R516-Billion which represents a 14.4% annual increase.

“South Africans are shopping at fewer retailers but spending more per trip, with the average value of their shopping basket increasing by R131 since April 2020,” said NielsenIQ SA Managing Director, Ged Nooy.

Mindful of the expected growth predictions and with price hikes and inflationary concerns – to stay competitive the retail trade will once again have to adapt, with the following trend considerations under the spotlight from now, into next year:

- Emerging technologies like social commerce will offer the industry new ways to integrate shopping carts using Facebook, Instagram and TikTok. Partnering recommendations from influencers, friends, and family leading to increased sales [TotalRetail].
- An increase in buy online, pick up in-store services, QR codes that allow shoppers to connect instantly, mobile point-of-sale systems to allow sales anywhere inside a store and a range of contactless payment options – will have data winning the day.



# *Celebrating* 2022 *Ten Years*

To all our Customers, Suppliers, Staff and Strategic Partners. The Journey has been an adventure, full of challenges, successes and growth. We could not have done it without you. We look forward to 10 more years of building a strong business and a stronger relationship with you.

*Thank You!*



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“ Seizing new opportunities for innovative growth are undoubtedly part of every retail or commerce strategy and trends certainly bring fresh perspective. ”



Image courtesy of Ray Piedra, Pexels

- Customer centricity will remain king going into 2023 – essential to allow for synchronicity between marketing, products, supply chain and ecommerce or brick and mortar to present products, services, and experiences customers desire and expect. [Modern Marketing]
- By 2030, the top 18 cities in Africa could have a combined spending power of \$1.3tn. Businesses at the coal face are already looking to invest in these markets in order to reap the potential they may have ten or even 20 years down the line. Unlocking this potential will require strong local partnerships and a deep understanding of local markets. [BizCommunity]
- Key digital marketing trends for the South African retail industry to be aware of include – prioritising the omnichannel customer experience that has not necessarily come to full fruition yet; monetising digital efforts by tracking the entire customer journey to understand how each individual channel is contributing to ecommerce conversions, and the growing utilisation of dark social channels where the user journey is encrypted such as Facebook Messenger and WhatsApp – where brands are for example investing in the creation of WhatsApp bots as an innovative way to reach these audiences. [Modern Marketing]

Seizing new opportunities for innovative growth are undoubtedly part of every retail or commerce strategy and trends certainly bring fresh perspective. However now that we have had more time to swing back operationally, I would throw my own 'left-of -centre-trend-shapeshifter' into the mix around being curious, as there can be no innovation without curiosity. We say it, as we look for new perspectives to old problems, but do we really make space for curiosity as a conscious daily practice. It should become a habitual tool for retailers, brands, and organisations to help uncover what innovative buttons they need to push. **SR**

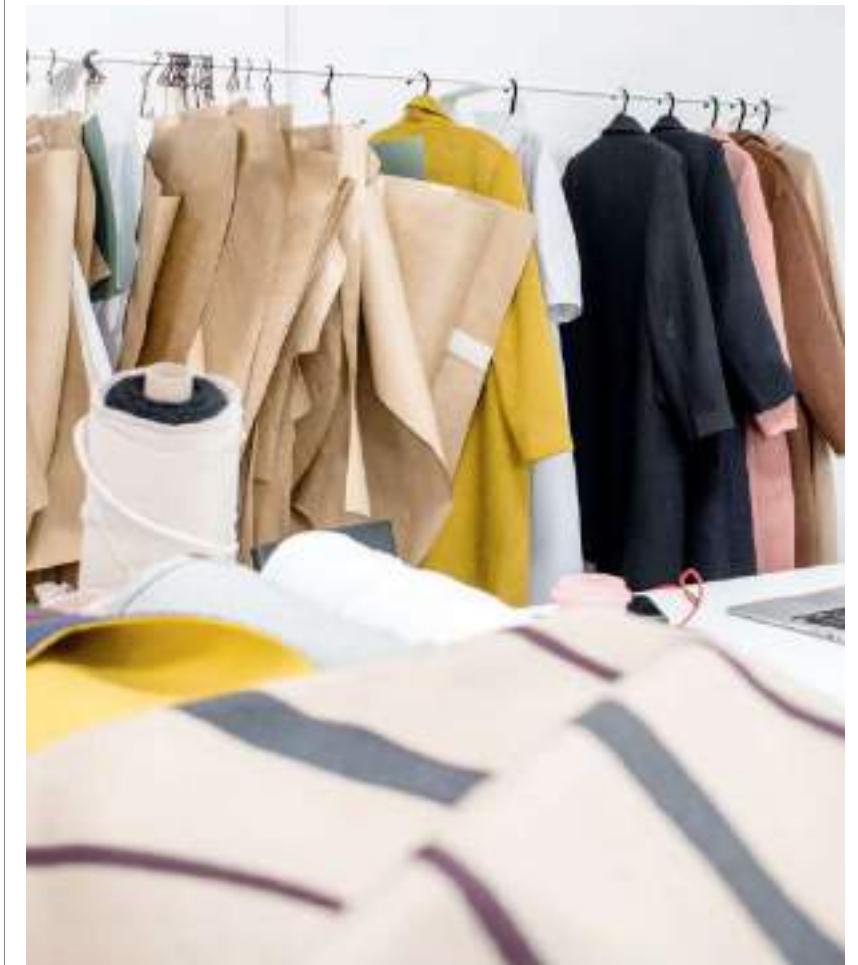


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What retailers need to focus on as the 'silly season' gears up for all-sorts of promotional days and the importance of capitalising on purchase power



# Nailing the 'P' in promotional days

Mike Smollan  
Chief Growth and  
Innovation Officer  
Smollan

We have only just said Happy New Year and yet here we are. Ready to once again, like a well-oiled machine, roll out the red carpet for a myriad of promotional days. From Bosses Day to Black Friday, the chunk that is the Festive Season and the look ahead to Back to School 2023.

However, with the intensity surrounding inflationary concerns, unstable markets, revenue goals along with geopolitical global events that knock the supply chain pendulum, how do retailers find the sweet spot around which day(s) to focus on? Is it all or nothing relatively speaking? Or is it more about defining historical data as a basis for making the right decision?

The pandemic taught us so many lessons around being agile, fresh and to turn the expected on its head, that we may need to pause and instead of dusting off ideas, lean in for a considered view around which horse to back instead of trying to do everything.

In a recent Forbes piece it was suggested that, prior to even considering which day to participate in, retailers above all else would be wise to plan



for an extended ecommerce driven season. Based on 2021 US stats, holiday shopping was pulled forward by up to 17% in November and December as consumers spread buying behaviour. Chances are that this year may well be the same. Secondly, optimising all systems in anticipation of traffic surges is key to making sure that consumers are not met with out-of-stock items.

While the bigger picture serves to inform, home turf offers the relevance required to bed down strategies. Zuko Mdwaba Area Vice President at Salesforce SA, suggests that this year in preparation

for the 'silly season', over and above choosing which days to focus on, retailers will need to make sure that they develop data acquisition strategies, bridging the physical-digital divide, and build stronger partnerships. On a bigger scale, the industry will need to invest as heavily in the post-purchase experience as in the path-to-purchase, combining test-and-learn tactics with proven revenue drivers such as flash sales and special promotions.

The foundation, as one considers participating in all or a few promotional days, is historical data. Auditing last year's campaign performance will guide the process. Prioritising the campaign or channel that came out tops will allow retailers to double-down on what's known to work without necessarily putting all eggs in one basket.

The focus then, as retailers prioritise their promotional day strategies is to take into account current trends, emerging digital channels and the refreshed expectations of consumers going into the season.





In South Africa, as reported on [www.bizcommunity.com](http://www.bizcommunity.com) earlier this year, we are reminded of the significant shifts influencing shopper expectations around ecommerce's firm foothold; privacy becoming a legal requirement; value becoming more than just a matter of price it's also about retailers showing quality and purpose; multi-channel and mobile shopping and making customer engagement a top priority.



As per the official blog post for Amazon Prime Day 2022, the games giveaway will be staggered.



“ Take last year, with Amazon Prime Day 2022 selling over 300 million items at the rate of 100 000 items per minute amounting to over \$3B in profits. ”



Image courtesy of Ivan Samkov, Pexels

That is a beautiful thing in of itself, considering that in the lead up there were concerns that it might be a rather beige day. Undoubtedly it comes down to solid preparation despite a complicated reality whether locally or globally that affects all paths to purchase. Whether retailers take a tailored approach to promotional days or instead cast a wider net, the golden key has to be about delivering excellent customer service where going the extra mile is everything.

Promotional Days undoubtedly revolve around increased sales and competitive pricing, however careful planning is required to target the correct event for the right return, where in addition you delight existing customers and attract new ones. **SR**

# SUPERMARKET & RETAILER



**DELIGHT YOUR CUSTOMERS**

and friends, playing with a pet, physical touch, (like holding hands and hugging) and giving compliments to others. It produces feelings of love and connection, and it's what binds human beings to each other.

While you need to think very carefully before you go out there and start hugging your customers, simple gestures like a handshake, or allowing a customer to feel a soft toy or similar can make a difference.

“ A short personal chat can also work wonders, especially if it acknowledges that your customer is someone you know, recognise and appreciate. ”

But it should also be obvious to you that simple acts of generosity and kindness achieve the same, especially if they hit some problem – like dropping some of their shopping, or being unable to find something, or reach something. But there is one very important factor that plays a role in this. Obviously, the person on the receiving end feels good, and the person who does something nice also gets a bit of oxytocin (which makes it more likely that we pay it forward again). But even an observant who witnesses someone being kind and

To a lesser degree some fragrances or a massage also help. Once again, what you can do is obvious, and you can manage these things in your business without spending a fortune.

Now, one final word of advice ... unless you are like my dad whose need to understand the science was so important ... don't get caught up in the terminology and try to identify which chemical plays what role. We've looked at a bunch of things that you can do to create positive feelings that result in loyalty. ”

And finally, **endorphin, the pain killer chemical.**

“ Endorphins trigger positive emotions ”

don't have to do it every time. The principle of occasional reinforcement – a little surprise out of the blue – can also be potent.

Image right: Tim Ouglis, Pexels  
Image below: Jonathan Peterson, Pexels

“ When we develop addictions – to gambling, eating, smoking, drugs, online gaming, likes on social media, and so on, it's the dopamine that makes it so hard to stop. ”

But you can also use dopamine effectively by celebrating things with your customers. Anything that you do to make them feel even a small win can trigger

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# Key trends South African grocery shoppers care about in 2022



DataEQ's Lead Retail Analyst, Shannon Temple, delivered a presentation 14 September 2022 at an E-commerce Live event, based on an analysis of over 1 million social media posts from consumers talking about local grocery retailers online.

Year-on-year, the average South African household food basket increased by R611.44 from July 2021<sup>1</sup>. This represents a 14.8% annual increase – far above headline inflation reported through the Consumer Price Index (CPI) and outstripping food inflation.

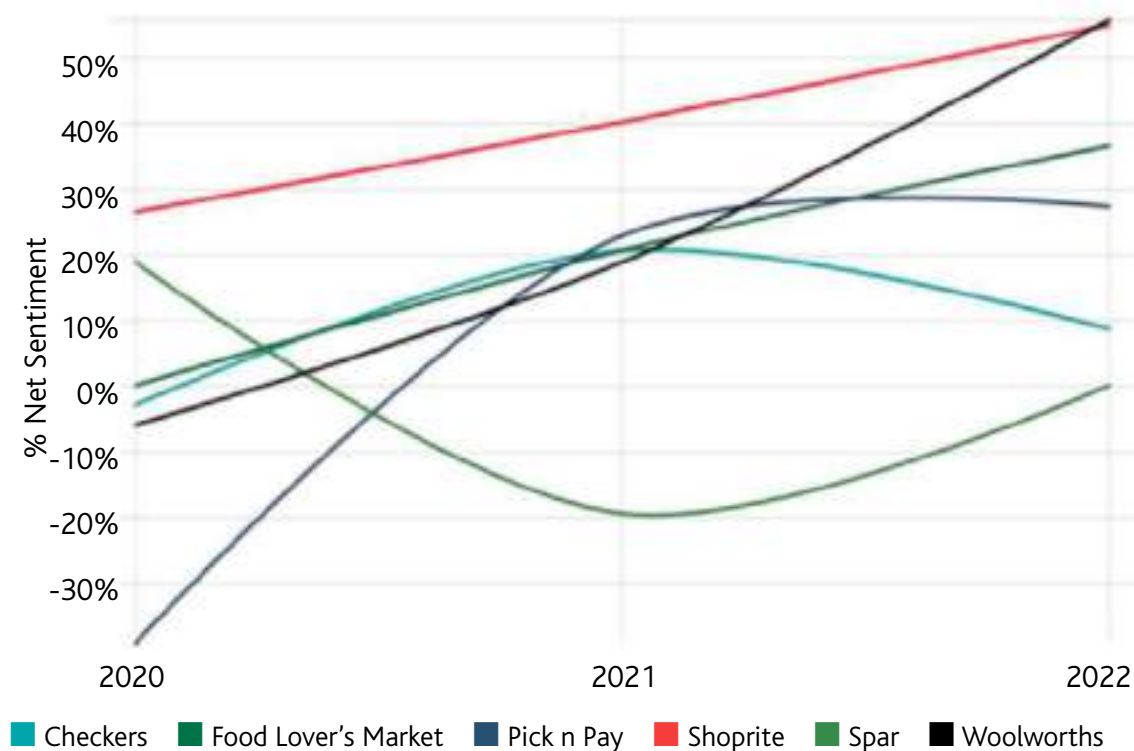
Despite this steep price hike, South African consumers' perceptions of grocery costs have improved over time, suggesting that consumer sentiment is driven by more than just price. This is according to Shannon Temple, Lead Retail Analyst at DataEQ, who recently presented on consumer trends in retail at the 2022 edition of E-commerce Live.

"Looking at Net Sentiment<sup>2</sup> on social media towards grocery retailers' pricing since 2020, there is an upward trajectory, indicating that conversation is becoming gradually more positive," explains Temple.

"Notably, we see Woolworths with the steepest incline here, while Checkers and Pick n Pay experienced slight declines since last year," she adds.

Having analysed over 1 million social media posts from consumers talking about South Africa's major grocery retailers, Temple goes on to unpack three major trends that are shaping the local retail e-commerce landscape.

## Net Sentiment towards pricing 2020 – 2022



<sup>1</sup> The Household Affordability Index by the Pietermaritzburg Economic Justice & Dignity group (PMBEJD)

<sup>2</sup> Net Sentiment is a single score calculated by deducting the percentage of negative conversation from the percentage of positive conversation.



Image courtesy of Anna Nekrashevich, Pexels



Image: Kamaji Ogino, Pexels





### Special offers over price comparisons

Despite the prevalence of pricing and affordability in conversation, social media data indicates that consumers are speaking less and less about it since 2020. Attention has moved away from price comparisons and towards special offers, with the online narrative shifting to which brand is offering the best value for money.



Driving a sense of savings is going to be critical for the industry going forward. Consumers want to feel like they're saving when using a premium service, and well-executed specials are key to achieving this.

### An omnichannel experience is key

While special offers allow retailers to drive perceptions about price, they can be a major point of contention if not implemented correctly across all channels. In this sense, creating an omnichannel shopping experience is critical for retailers and there needs to be parity between specials offered in-store versus what is offered on the app.



### Operational ease still matters

Digital platforms do not remove the risk of operational issues arising. If anything, there is an even higher expectation from digital customers for operational ease. For example, the issue of items being out of stock is typically met with high criticism – especially when said item is linked to a special offer.



There are also logistical issues that are inherent to the ecommerce model, such as delayed delivery times or cancelled orders. This is where expectation management and clear communication becomes vital, setting apart the retailers who excel in digital customer service, from those who don't. **SR**



Image courtesy of Kamaji Ogino, Pexels

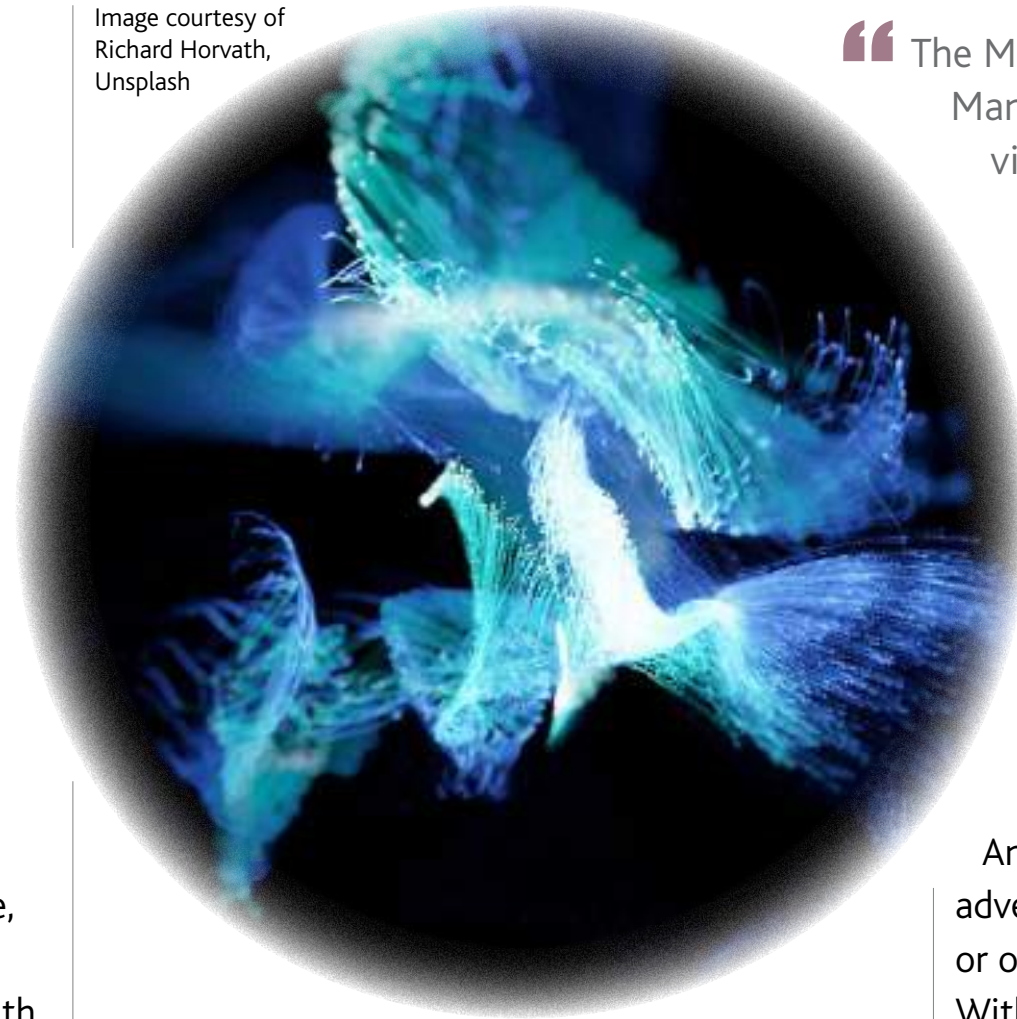


# The Metaverse ... Advertising & the future of marketing



**Isabel Smit**  
Implementation Planner  
at The MediaShop

Image courtesy of  
Richard Horvath,  
Unsplash



Think Google Earth meets Second Life meets Tinder. The Metaverse will have a game-changing impact on how brands communicate with consumers, how marketers find new customers, how businesses optimise their marketing spend, and how advertising campaigns are created and executed across channels. Let's take a look at what this brave new world has in store for advertisers ...

## Virtual reality advertising

VR Advertising is an immersive form of marketing that places the viewer in a simulated environment, like a 360-degree video, a VR game, or a VR shopping experience. In the advertising world, brands and agencies are experimenting with immersive content strategies through VR.

By placing the consumer inside the advertising experience, it allows the user to be fully immersed into the brand's world. The viewer's senses are activated and engaged, making the message much more memorable. VR advertising has already proved to be successful in many industries, particularly those with tech-savvy customers.

VR advertising campaigns have been extremely effective in the travel industry, real estate industry, and sports and entertainment marketing.

## Augmented reality marketing

AR marketing is the process of leveraging augmented reality to place virtual images and objects into the real world.

“ The Metaverse is here, but only in its infancy. Many of us may think of the Metaverse virtual world we'll one day be able to enter to enter with VR headsets and see-through digital avatars, but it's much more than that. It's a convergence of technologies and experiences that will transform our world as we know it. The Metaverse is the combination of augmented reality, virtual reality, and the internet of things (IoT), all accessible through a single interface. ”

An example of AR marketing would be an AR advertisement that lets you see how a new couch or other product would look in your living room. With AR, marketers can bring their brand to life in the physical world. With AR, a customer can use their smartphone to see a virtual product come to life in their physical environment.

If you want to get a better idea of what AR marketing looks like, check out AR apps like Pokemon Go, IKEA Place, or Lowe's Vision that has inspired the overseas markets. ARKit is a software framework that was built by Apple to bring AR





experiences to the mass market. ARKit is now available to developers, which means marketers can now create AR experiences for their brands.

## The Internet of Things

The Internet of Things (IoT) refers to the connection of devices to one another through internet-based technologies. Brands are already leveraging IoT devices to gather customer data and create personalised experiences.

One of the best examples of IoT marketing is Amazon's Echo device. It's an always-on device that can hear you talk and then perform an action, like turning on your lights, playing music, or ordering products from Amazon. As devices continue to be connected, marketers will have the opportunity to use real-time data to create personalised brand experiences.

Image courtesy  
of Julien Tromeur,  
Unsplash

## Marketing automation

Marketing automation is the process of using software and data to create personalised marketing campaigns across channels. Marketing automation is used to create customer personas, analyse customer data, and then serve personalised content across all customer touchpoints.

Marketing automation is a marketing tool. It's not the same thing as marketing in the Metaverse. So, when marketers take their tools into the metaverse, what does that look like?

Let's say we have a mattress company, and we want to advertise our product in the Metaverse. We'd want to make sure our product information is accurate and that we have the correct images. Then, we'd want to find a real estate agent who has a space in their virtual store that we can advertise on. Once we've settled on a location, we'd create an ad that links directly to our product on our website.

**Conclusion:** It's important to understand the implications of the Metaverse and how it will change the way we create and

distribute content. VR and AR are already being used in marketing campaigns, and we need to be prepared to create immersive experiences that will change the way brands connect with customers. With IoT, marketers have the opportunity to gather data and create personalised customer experiences. Finally, marketing automation will allow brands to create and serve personalised content across all customer touchpoints.

Just like when the internet first came around, we're now at a point where people are wondering what this technology means for them personally. Will it change how they interact with their friends? How they communicate with colleagues? What kinds of new jobs will it create? And how will all these changes affect society as a whole?

**Are we ready for it? SR**

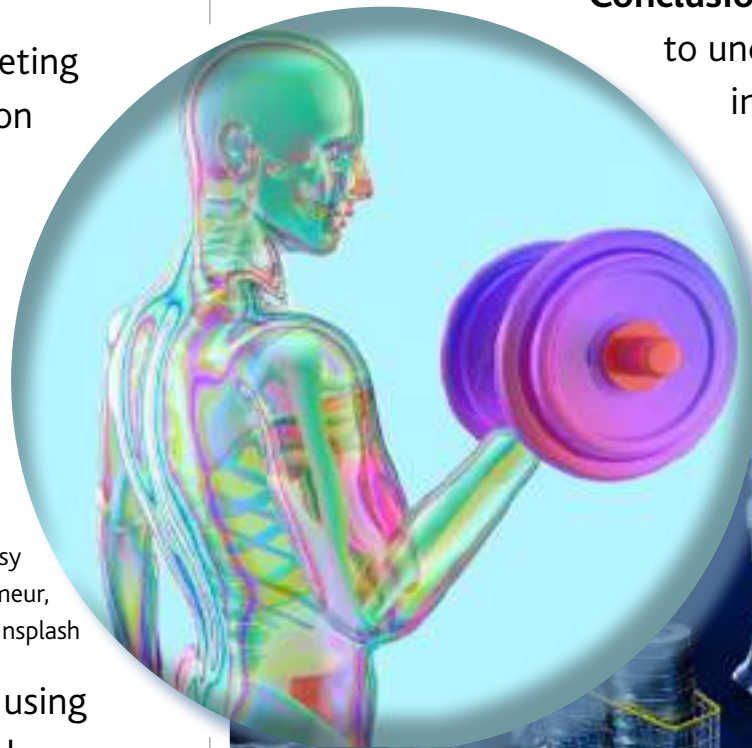


Image courtesy of Julien Tromeur, Unsplash

