

SUPERMARKET & RETAILER

Business knowledge for smart retailers
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PROFIT FROM MARKET FIRST INFORMATION



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The competitive edge



Helen Maister

Although a greater portion of household spend has been dedicated to groceries over the past few months, financial results show that sales are down. Margins are going to be squeezed more than ever. Retailers have a few avenues to get consumers coming back to their particular store on a monthly, weekly and daily basis.

Recently, while on a call to my ISP support person, I asked what was important to him when going to the supermarket. He said "I'm a visual person, I shop with my eyes." While price is key, appeal is a driving factor in the decision-making process of the consumer – what makes a store more visually appealing is the store design and the lighting.

In this issue, Calvyn Morris takes you through the key areas of a store revamp from a project management point of view. Hiring a reputable project manager could save the retailer time and money.

"Eye appeal, is buy appeal." Lighting designer, Evelyn Naidoo, discusses how to get the best out of your store by lighting it beautifully. Lighting gives you the extra edge on the competition. You have to have it! By making cost effective choices with fittings that will last and design that is pleasing to the eye, the retailer will reap the benefits all the way to the bank.

Makwa Powertrade and Best Buy gives us a glimpse into their slick operation. Although they don't have that much walk-in traffic, they make up for that by servicing a massive area in the Northern Cape. This is a phenomenal model that operates within tight margins. Everyone has something to learn from them.

Hippo Zourides talks about 'out of stocks'. You could increase your net profit by 15%! There are tools out there to help you achieve this, but it seems that many retailers are not taking advantage of their data analytics.

Cannabis regulations have just been approved by cabinet. Quite frankly they are short-sighted and not well thought through by government. They had all the research and could've very effectively modelled on other countries' successes, but no. The team Webber Wentzel give us the legal low-down.

In our other features:

- According to the Association for Consumer Research, the demand for organically cultivated food rose significantly more strongly during the first three months of the Corona crisis than the turnover of the food trade as a whole.
- The Protection of Personal Information Act 4 of 2013 (POPIA), which came into force on 1 July 2020, places several obligations on employers in terms of managing employee's personal information; it also gives certain rights of privacy to employees.

- Lockdown or no lockdown, legal proceedings involving shipping and aviation disputes have been going full steam ahead. Virtual hearings have taken off and are cruising along smoothly online or via video
- The number of card-not-present transactions (card transactions that occur while the buyer and seller are not in the same place) has increased exponentially. The Ombudsman for Banking Services, Reana Steyn, has advised that her office is receiving disputes on a daily basis regarding these transactions.
- Shoprite has launched its new Money Market Account, a free transactional account to give customers more ways to save, send or spend their money. Its main benefits are: no monthly fees, no load fees, no transaction fees, no debit orders, no forms, no FICA. Customers are in full control of their money – anyone can open an account.
- South African Consumer Confidence Index for the second quarter of 2020 reveals a massive 20 point drop to 68 – the lowest level in 15 years, according to The Conference Board Global Consumer Confidence Survey, conducted in collaboration with Nielsen.
- As consumers increasingly shift to remote shopping, it adds a layer of complexity to logistics planning. Under challenging circumstances, the use of real-time data analytics and location intelligence to optimise operations and minimise delivery delays is one way to reduce costs and improve the customer experience.

It's always an honour serving this industry.

Helen Maister

Helen Maister



Your personal power to provoke positive



Aki Kalliatakis

Delight your customers

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



Don't you just love it when people just simply take personal responsibility, especially for the positive experiences of customers? It always makes such a big difference, and in a world filled with apathy and indifference, these small acts are remembered and rewarded.

For example, we have some young beggars in my neighbourhood, and many of them do the windscreen washing thing, or in one case, there is a young man with a few big boards of one-liner jokes which he shows drivers at traffic lights.

More recently I noticed another group of young people who decided that they were going to fill and fix potholes (which are all over the place in Johannesburg), all for a small discretionary donation from motorists. So these kids have taken the initiative by tapping into the frustration of citizens, responding to the appalling lack of action from the authorities, and not only making a living for themselves, but also improving our society.

Here is another example: A hotel general manager in Cape Town, whose business is experiencing a very quiet time because of recent events, looked at how he could keep his staff busy and at the same time give his team a chance to earn some money. They initially used their staff to give the hotel a complete makeover, with lots of spring cleaning, fixing, painting, and all the other tasks needed to make the hotel beautiful again.



But when that was all over, there was nothing else to do. After mulling it over with his managers, they brainstormed some excellent ideas, of which I would like to share just two.



First, hotels do a lot of laundry, but with no customers, the washing machines were standing idle. He thought...

“If there’s one thing that we do well, it’s laundry, especially of large items like duvets, cushions and more”

So now they offer a laundry service for the citizens of Cape Town where, for a small and very competitive price, you can take them your dirty linen, and they will clean it properly.

The maintenance team were also unable to find more things to do at the hotel, so once again they offered an appliance repair service so that people could take in their broken toasters, TVs,



“Look at the common frustrations and pain points of your customers, and take responsibility for improving these”

microwaves, and most other household appliances, and have them fixed.

These are just two examples, but when you look at all the things that are needed to run a hotel effectively, you can see how he was able to respond to his community.

You may be asking yourself how this applies to you. I don’t expect retailers to start offering even more new products and services to the suburbs that they service. (Although many banks now offer so many products that have nothing to do with

looking after your money, including various forms of insurance, financial advice, cell phone contracts, ID documents, and so on.)

No, what I am suggesting is that you look at the common frustrations and pain points of your customers, and take responsibility for improving these.

People on your team probably already walk customers to the products that they seek, and your various departments like the butchery or bakery occasionally respond to special requests from

customers. But there is so much more that every member of your team could do.

- Start by asking what your team can do to reduce or eliminate excessive customer effort.
- Look at it from a physical point of view such as making sure trolleys are all working, products are easily accessible on the shelves, helping customers carry heavy items, keeping the temperature comfortable and the noise levels quiet, helping them with unruly children that are creating distractions, and making sure that there is a place to rest for people who are tired.
- There was even a store I saw in Knysna where they sold various household bric-a-brac, and right outside the store there was a nice bench with a sign that said: "For bored husbands."
- Another area that you can focus on is when customers are confused, or where they don't understand certain things. What can we do to simplify things that are complicated for our customers?
- Take time to explain things that are complex for them so that they understand it better. Show them how they can make their lives a little easier by sharing tips and hints.
- You can also show them how your products and packaging work, or read the instructions to them so they understand how to cook that intimidating pork knuckle.
- Explain additional services that you offer that they may not be aware of (like gas bottle refills, or special deals that are on right now, or your refunds/returns policy).



- Where possible, let them help themselves to make life easier. In short, help customers with anything that confuses them or causes them to have to think too hard.

We need to treat every customer like he or she is family, and to be as helpful and responsive to them as is humanly possible. Uncomplicate their lives so that they always know that at your business they will never have to worry about extra effort and stress.

In today's difficult world, we know that many of customers experience lots of difficulties, financial and otherwise. It's not only the fact that money is short. It's also that they are surrounded by lots of stress and bad news, no matter where they turn. Doing business with any company is a lot more

complicated than it has ever been in the past, and we have a chance to bring a little bit of joy and warmth and helpfulness to them. We can make their lives a little simpler and better, and they will always be grateful for that.

Do they always deserve it? No: some customers are not always polite and courteous, nor are they always going to appreciate all of our efforts – but perhaps the one thing that you can specialise in is making sure that nobody ever has a reason to talk badly about your store. We know that customers are not always right – but we also know that being respectful and helpful is always right. And apart from all of the other benefits to your business, taking personal responsibility for customers is also something which makes you feel good.

Bringing happiness to others, we find ours. **SR**

“Uncomplicate your customers' lives so that they always know that at your business they will never have to worry about extra effort and stress”

Supply chain learnings: Makwa Powertrade and Makwa Best Buy show us how

The Makwa model Innovative, streamlined and unique

Makwa Powertrade and Makwa Best Buy, located in Springbok in the Northern Cape, operate as both distributor and retailer of goods and services.

Because their offering includes servicing large and often remote areas in the Northern and Western Cape, they have had to develop a unique and effective supply chain tailored to their situational challenges. This successful distribution model services both local communities as well as far-flung outlying areas.

Customer base

Including their delivery areas, Makwa reaches a diverse customer base across a massive area. Their commercial customer base includes spaza shops, larger supermarkets and smaller traders. Deliveries are also made to school feeding schemes and boarding schools.

Both stores stock a combination of bulk and single unit SKUs, with 100–200 walk-in customers per day at Makwa Best Buy and 80–120 walk-in customers per day at Makwa Powertrade. Together the two stores serve 15-30% general public customers; and 70-80% traders.



Makwa Powertrade country – servicing Springbok and far-flung outlying areas

Walk-in trade is made up mainly of local women shopping for their families, and hampers have been very successful since they tend to buy all their groceries for the month at one time.

The value of a hamper is R370 and it contains items such as flour, sugar, coffee, beef, jam, peanut

butter, maize meal, yeast, cooking oil, canned fish and macaroni. With care, a hamper can last a month.

Greater volume is seen at month end, when shoppers receive their social grant payouts and then stock up on food for the month.

Humble beginnings

Makwa director Jan Schreuder's father started the business back in 1972 as Lazarus Brothers in Bitterfontein. After a few months he changed the company's name to Namaqualand Groothandelaars. Jan Schreuder came on board in 1983, and in 1999 they opened a store in Springbok. The store in Bitterfontein was closed in 2016 because the town was too small to sustain it. Then, in November 2018, they bought the Powertrade store in Springbok.



The Makwa Powertrade store started in Springbok in 2018

The next level

The Makwa Powertrade business has now grown to the next level, with the launch last year of a second Makwa store – Makwa Best Buy; and the forging of a partnership between Unitrade Management Services (UMS) and the Makwa business.



The Makwa Best Buy store launched in 2019



The launch included new exterior and interior signage, a fresh look at merchandising and ranging, and a general revamp



Jan & Laula Schreuder
Owners, Makwa Powertrade & Makwa Best Buy



Fermino Gomes
Executive GM
Unitrade Management
Services

The Makwa business is built on loyalty and trust and these principles underpin all their relationships. "I have had the privilege of knowing Jan Schreuder for the past 25 years, and know him to be an incredibly loyal and humble human being," says Fermino Gomes, Executive General Manager, UMS Southern Division. 'Oom Jan' as he is affectionately known in the community, and his wife Laula, have seen their business grow from one to two stores in the past year, including the relaunch that has given their stores a fresh look and feel.

The Makwa business is built on loyalty and trust and these principles underpin all their relationships. "I have had the privilege of knowing Jan Schreuder for the past 25 years, and know him to be an incredibly loyal and humble human being," says Fermino Gomes, Executive General Manager, UMS Southern Division. 'Oom Jan' as he is affectionately known in the community, and his wife Laula, have seen their business grow from one to two stores in the past year, including the relaunch that has given their stores a fresh look and feel.



Makwa Powertrade is a landmark in the area, and the store revamp was well-received by their customers.

On the retail side, Makwa is now in a position to compete with the corporates on marketing, shopper experience, store appearance, service, and pricing.

Gomes says, "The retail business now has better trading terms on some key products, resulting in a lower nett cost and improved margin on a number of KVIs, with cost savings passed onto the store's customers. We have also seen an increased demand for secondary lines at the Powertrade store, so the range has been adjusted accordingly."

As for the delivery side of the business, "they have always been king," says Gomes.



Visuals courtesy Vredendal Signs

The stores offer extensive commercial coverage to suppliers, as well as an opportunity to grow retail (consumer) sales through range, variety, good deals and promotions.

Khore hare is a Khoi phrase meaning 'welcome'.



Successes and challenges

The stores are directed by owners Jan and Laula Schreuder and they have just celebrated their first year of success, which has been hard-won for this supply-chain driven business.

Currently Makwa Powertrade and Makwa Best Buy cover a distribution area from Springbok all the way to the border between Namibia and South Africa, providing the following channels to market:

- 300 kms North to Vioolsdrif
- 200 kms West to Alexandra Bay
- 220 kms East to Onseepkan
- 300 kms North West to Pofadder
- 160 kms South to Bitterfontein

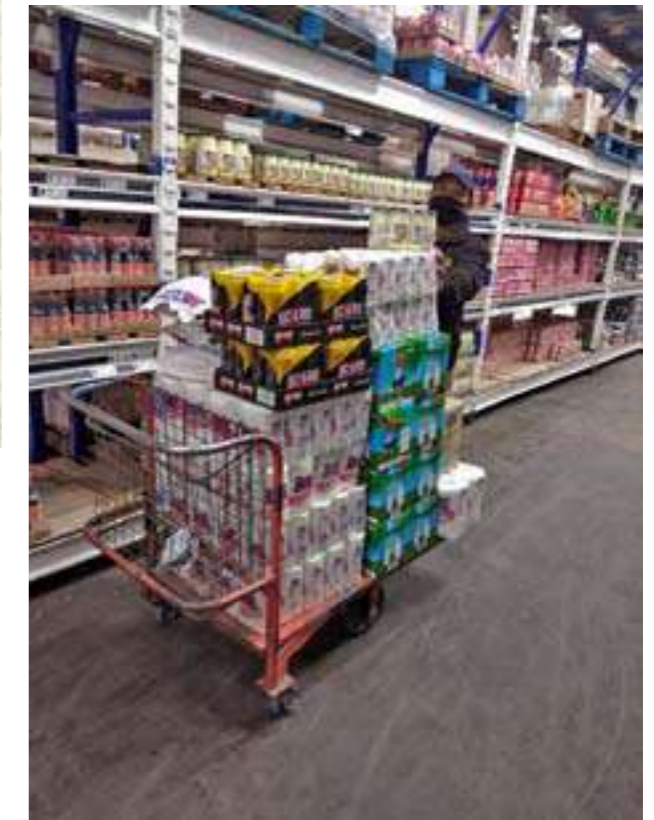
The Makwa business services the Northern Cape through a well-established infrastructure that includes five eight-ton trucks and an experienced telesales team.

In order to meet their retail and distribution demands, Makwa's supply chain is highly streamlined. Once the orders are placed, they are picked out and packed by staff; invoiced and checked; and finally the orders are loaded onto trucks and delivered the next day.

Jan Schreuder talks about the process: "The biggest challenge," he says, "is to make deliveries financially viable. For example, we deliver to far-flung stores in Baken and Alexander Bay every second week, and Kleinzee and Hondeklipbaai once a month." He adds: "This distribution model was determined by a number of interrelated factors: distances between towns, the quality of the roads



Situational challenges: Small towns, small customer base at each location, varying buying patterns, remote and far-flung distribution locations often on inaccessible roads – a mix of variables that requires careful management to ensure profitability



A streamlined supply chain ensures orders are picked out and packed, invoiced, checked and delivered the next day over a wide distribution area



“ We have to consider distances between towns, the quality of the roads and the financial capacity of the communities ”

and the financial capacity of the communities in these towns.”

Makwa Best Buy consists of a 750m² space and Powertrade a further 2 800m². Together with their store warehouse facilities, there are also another two storage facilities in the town’s industrial area, where truckloads are stored for delivery and for stock transfer. Schreuder runs his own fleet of trucks and also employs his own drivers, which helps to make his operation cost-effective.



Schreuder runs his own fleet of five eight-ton trucks and also employs his own drivers, which helps to make the operation cost-effective



Storage facilities in the town’s industrial area. Truckloads are stored for delivery and for stock transfer

The trucks deliver inside a radius that spreads over hundreds of kilometres. To the west is Alexandra Bay and to the north is Vioolsdrift, on the Namibian border. In the east is Onseepkans and to the south lies Bitterfontein.

“With this model, we have fully loaded trucks that supply smaller retail outlets in clusters, and at the right time according to their customer’s buying patterns, which in turn is more profitable for our company,” says Schreuder. In addition, Makwa’s team of permanent drivers understand the terrain.

Responsive adjustments

Does he continually re-evaluate and adjust? “Yes,” says Schreuder, “we do – although the adjustments are not major, the model does get adjusted from time to time.”

For example: “The surrounding communities are very much dependent on Sassa grants, and therefore Sassa payments do affect our delivery schedule,” he explains. “Towns such as Baken and

Pofadder occasionally take double the amount they normally do, and that forces us to move other deliveries to accommodate everybody. Loads can also be too small, which also means the strategy needs to be altered.”

Schreuder adds that the Covid-19 lockdown has not had much effect on their distribution model, as they supply to retail stores. “We did, however, pick up that orders from small shop owners increased as lockdown procedures were implemented.”

Benefits to both suppliers and public

The main benefit Makwa offers suppliers is that all their products are delivered to remote areas, enabling suppliers to get their brands into hard-to-reach areas, and Makwa keeps their stock at competitive prices. Products travel many miles over tricky terrain, gravel roads and far outlying places, reaching markets that would be otherwise inaccessible or not cost-effective for individual suppliers.

With their September 2019 launch and UMS partnership, Makwa will be able to offer even better prices and they will be pursuing diverse opportunities to grow the business, for instance, through telesales and distribution of leaflets.

UMS and Makwa plan for growth

An exciting new path forward was forged for the business, as Makwa Powertrade and Makwa Best Buy extended their opportunities for growth with UMS. This partnership builds on both Makwa and UMS brand equity in the Northern and Western Cape provinces, respectively.

Makwa has strong reputational brand equity in Springbok and the outlying areas they supply, built over many years of serving the community and surrounds; while UMS has a strong footprint in the Western Cape, providing an opportunity for suppliers to extend their reach throughout Makwa's extensive delivery network and now further afield.

UMS has provided additional infrastructure, business development, operational support and marketing and promotions. Accounts have been centralised together with IT infrastructure and support, including order placement and online tracking.

Commercial customers are serviced by four sales reps and a sales manager, and telephonic ordering provides an easy ordering option for commercial customers.

UMS also provides a call centre infrastructure as part of the partnership, and this means a bigger sales team to provide business growth.

Makwa understands the concepts of growth, seeking and implementing new opportunities and servicing a diverse customer base. It has in-depth understanding of store-based sales and delivery-based business, with retail and commercial customers. This extended coverage will mean the growth of commercial business, as well as retail (consumer) sales.

Can Makwa's supply chain model help to inform other stores?

"I think it all depends on the outline of the area and the customer base that the other wholesalers have. We do not have a lot of walk-in customers

like other stores have, but we do have a huge distribution area that we cover, so our model is rather unique," says Schreuder. "We've trusted our model for over 25 years – with some adjustments along the way – and it has not let us down yet. The model is easily adjustable and understandable. Our motto also makes our model unique: We pride ourselves on the fact you demand and we supply." **SR**



Xenia Kyriacou's professional background includes a PhD in science education and the writing of educational materials and textbooks; academic writing and editing; web content creation; as well as general journalism for retail trade and consumer magazines.



The long road ahead: such a widespread and sparse client base can only be made viable with a highly streamlined, organised and cost-effective distribution model



Project management and its role in the supermarket and retail sphere

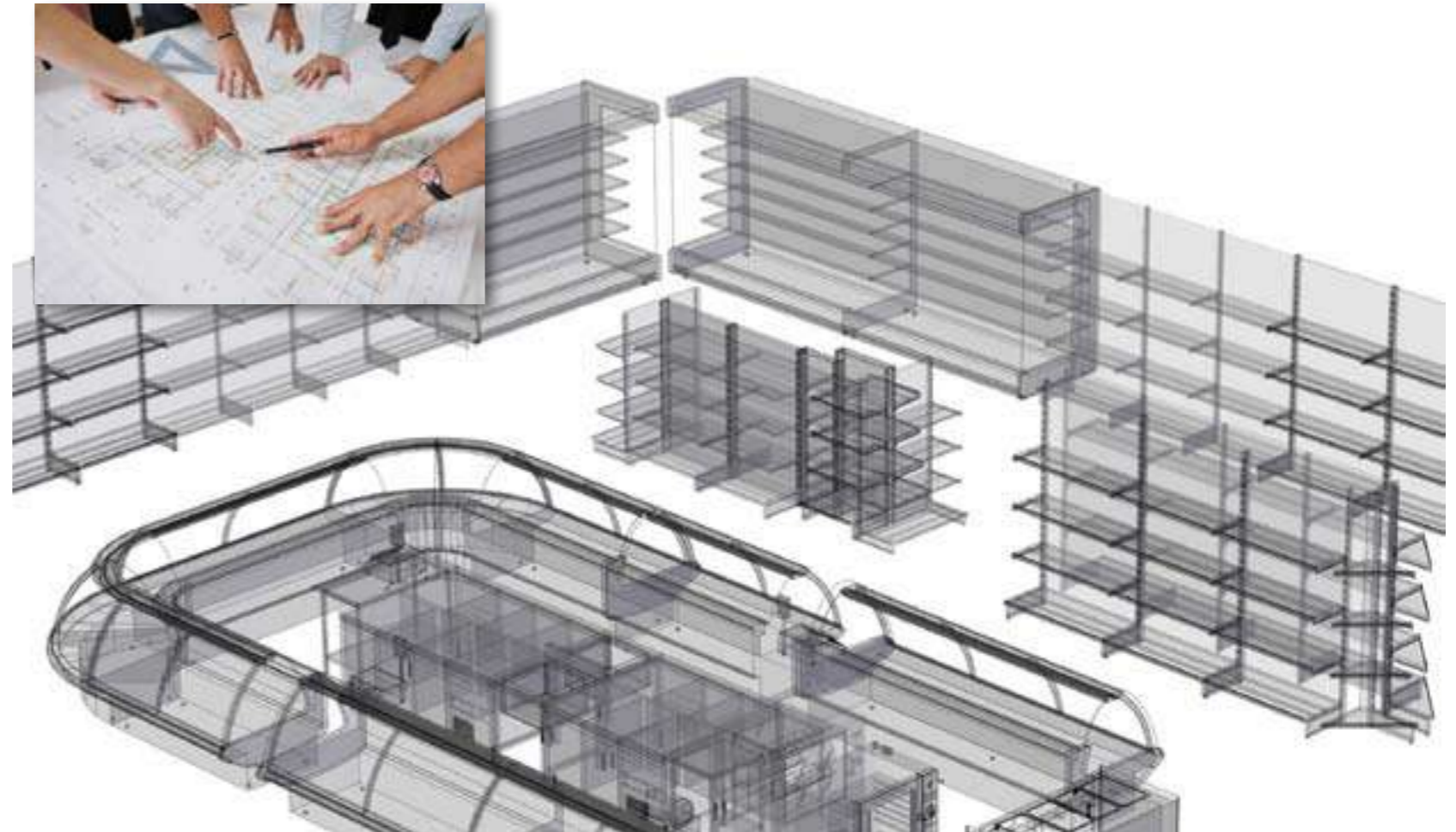
Calvyn Morris

Retail Development Consultant,
Project Manager, Designer.
ABSOLUT DESIGNS

Project management is the practice of managing people, cost, risk, quality, time, procurement quality and scope in order to achieve a certain deliverable. You tend to find many project managers are OCD by nature and thrive on organisation. Being a project manager is a high pressure job with a bucket load of stress, however the reward is all worth it.

When it comes to supermarkets, there are a lot of moving parts involved in a new store and even more challenges in managing a revamp as we cannot expect a retailer to close his/her store completely for a period of up to six months to a year in order to complete a revamp. Generally, when managing a revamp we do a 'live revamp' whereby we phase out the works and hoard off sections of the store at a time in order to allow for trade while we work.

In my experience, it is important to have a project manager involved in the build of a new store, but even more important to have a project manager involved in your revamp.



For optimal results, it is best to have two project managers. An 'in-house' project manager and 'principal agent' project manager. The in-house project manager will handle projects and tasks within the organisation or client/retailer and is employed by the client/retailer.

Examples of in-house project manager tasks and projects would be, but not limited to, security and

cctv measures, software and pos, staff training, PABX.

Examples of tasks/projects handled by a principal agent project manager would be, but not limited to, such tasks as managing the main contractor, electrician, plumber, equipment supplier, design team, shopfitter, refrigeration and HVAC contractors.

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I am a principal agent project manager and a store design consultant so I will focus on these rolls. For the balance of the article I will refer to the principal agent project manager as PAPM. The responsibility handled by the PAPM is determined by negotiations between the project manager and their client before appointment and this will determine the fee that the project manager will charge the client/retailer.

Generally the PAPM will charge either a m² rate or a percentage of total project cost and a payment plan is agreed on during these negotiations. Turnkey will be full responsibility for the project and a lot of risk is put on the project manager and therefore he will require a high fee for his or her services.

The first task of the PAPM once appointed would be to determine if the client/retailer has got a comprehensive store design done. If not he/she will assist in sourcing a store designer and be present in design meetings in order to finalise a store layout. A store design pack will assist greatly



Existing Supermarket Check List

> All Fields in grey pertain to the department in question.

Front Of Shop					
Sub-Department	Y/N	Comments	Amount	Feet	m ²
Kiosk					
Money Market					
Parcel Counter					
Managers Pulpit					
Cash Office					
Tills					
> Standard					
>Express					
>Bulk					
Trolley Bay					
Groceries					
Standard Shelving					
Bulk Shelving					
Types of Ends					
Refrigeration					
>AHT					
>Jumbos					
>Jumbo Ends					
>Dairy Up Rights					
>Cooldrinks (Rear Loading Coldroom or Up Rights?)					
>Ice Cream (AHT? In Jumbo Run? In Up Right Freezer?)					
Other					

with costing the project and gathering quotations from all contractors and subcontractors involved. It is best practice to get three quotes for each field and present these to your client and discuss, not only price, but value added service provided by the bidders.

Once your client has made his/her choice, its time to send out letters of appointment to the successful bidder and negotiate deposits. At this point the PAPM will also present a full project cost sheet to your client. The PAPM will also discuss

with all appointed contractors, subcontractors and suppliers their manufacturing times should there be any and request them to submit a timeline of works, with details of their scope included to confirm not only your project schedule, but to also make sure there is no confusion about each contractor, subcontractor or suppliers scope of works.

The PAPM will now be able to draw up a Project Schedule or Critical Path Analysis and present this to the client for sign off.



Tweak Life – the young and innovative brand set on changing the world

With the growth in the gin market in recent years, consumers are searching for alternative mixers ... for something a little more special and table worthy for their casual get together occasions, something that's healthier, easy to mix and share.



Our tonic water is low in sugar (20% lower than ordinary brands), with no added artificial chemical sweeteners. This enhances the flavour of the gin instead of masking it. Our tonic has reduced sugar without compromising the quality. Once you taste it, you will know.



Tweak Life So-da water is designed to be enjoyed on its own or combined with alcohol, fruit juices or a great punch. It tastes clean, with mild mineral notes and the carbon dioxide providing cleansing bite. Our recipe is simple and elegant, yet adjusted to release the spirit basis as a supreme cocktail mixer.

For our full brochure, contact:

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The next step is to determine the start date and the PAPM will distribute the project schedule to all contractors, subcontractors and suppliers and confirm they understand their start dates. During the project the PAPM will be managing the contractors, the risk, the cost and report back to the client by way of minutes from bi-weekly site meetings where you will track project progress. This is how the PAPM will foresee any issues or delays which will affect the cost of the project and raise these items with the client/retailer thereby managing risk and cost.

During the project, it is also important that the PAPM monitors the quality of workmanship by the contractors and reports any defects to the client/retailer. When contractors complete their works, it's important that the PAPM walks the job and snags the work with the relevant contractor, the PAPM will issue a snag list and a completion date

for the snags. Once snags are complete, the PAPM will sign off the works in order to process final invoices and payments.

When the project is complete the PAPM will do a final snag with the client/retailer, the PAPM will issue a snag list to the relevant contractors and, once complete and the PAPM has done final site handover, retention payments can be paid and the project close-off is complete.

It's important to plan, especially on large projects as lots of money can

be lost or wasted on a project. By planning, you will save a large amount of money, much more than what you will pay for professional fees of a project manager and store designer.

It's also important to note that, if a retailer got a discount of just 5% from all contractors, subcontractors and suppliers, the retailer would then have funds to cover the fees of a project manager and designer. **SR**



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Lighting design in retail stores

As one ventures into setting up a new retail store it can be an extremely exciting and exhilarating experience. As a retailer there are many questions that need answers, like how the general layout of the store is going to look? How do you get the best display of your product? Where will certain products be placed in the store?

But what about the lighting design? To many retailers both new and old, lighting is often an afterthought, yet retail lighting can add much more than ambiance. Lighting also impacts your sales as *'Eye appeal is buy appeal'* and it impacts on your overall customer experience.

“In the right light at the right time everything is extraordinary.”

Aaron Rose, photographer

So how can you use lighting as an advantage to your bottom line?

There are a few important steps one should adhere to when finding a suitable lighting design for your store:

1. Find your fixtures

The light fixtures that is used in a store helps create the atmosphere you want. For a more intimate feel one will use vintage fixtures, chandeliers, or dome



In this liquor store, we used Track and Spot Fixtures to draw attention to the high-ticket products. Pools of light above the shelf draw attention to the signage.

lights. For a more professional feel one will use recessed and track lighting of suspended fixtures.

You could use a mixture of fittings to break up different areas of your store like the fresh area vs your grocery aisle. Your lighting design must compliment your brand and product offering.



CREATE AN ATMOSPHERE FOR YOUR CUSTOMERS:

- Lighting is one way you can create a pleasant atmosphere for your customers. How a customer feels when he/she enters your store affects their moods and how they perceive your brand and products.
- To decide what atmosphere you want your lighting to create, you need to think about how you want your customers to feel when they enter your store. Warmer, soft lighting can make people feel relaxed and comfortable, whilst brighter lighting helps customers see products clearly.





This illustration is a thermal which depicts the placement of light. Here we used a fitting called a cyber wing which distributes 80% lighting onto the gondola and 20% on the floor. Notice the even distribution of light on the gondola.

2. Choose the correct temperature

Creating an inviting atmosphere in your store is also created by choosing the correct temperature of light in your store. Cool color temperature such as cool white make areas brighter and appear spacious, whereas warm color temperatures create a dimmer, cosier atmosphere, creating an impression of smallness and familiarity. So if you have a small store and you want it to appear larger, you will use cool lighting. If you are trying to invoke a sense of familiarity or nostalgia in your store, you will want to use warmer toned lighting.

A mixture of color temperatures in a store help create a drama within the store, like supermarkets. One will use a warmer toned light over the Fresh

Produce Area, Deli Area, Bakery Area, Egg displays. A cool white light will be used over the Gondola runs, Till points and Kiosk. A Meat fitting is used over the Butchery Area.

3. Choose fittings with a high color rendering index (CRI)

CRI is the measure of how accurately a light source displays colour. The higher the CRI the better the

light fitting is at rendering colours accurately. The lower the CRI value, the more unnatural colours appear when illuminated by the light fitting.

Typically, light fittings with a CRI of 80 to 90 are regarded as good and those with a CRI of 90+ are excellent. The general rule is the higher the CRI, the better the colour rendering capacity. CRI is independent of color temperature; these are two different things.



A combination of pendants to create a beautiful welcoming atmosphere. The feature on the wall is highlighted with recessed tilt spot fixtures. The work counter is illuminated with cool white (4000K) which makes it nice and bright and this helps staff be more efficient.

Types of retail lighting

There are four main types of lighting used in a retail setting, namely Ambient Lighting, Task Lighting, Accent Lighting and Decorative Lighting.

Ambient lighting – refers to the store’s main lighting. You need to ensure that your customers have enough light to feel comfortable in your store. Too dim lights and the store looks dingy, making it difficult to read product labels and making customers feel uncomfortable. On the other hand, if the lighting is too bright it is also uncomfortable for customers. How many lights, and how bright they are depend on the size of your space. Large warehouse style spaces with high ceilings will require lots of powerful lights since they will be mounted high up and need to illuminate a large area. A smaller store will require dimmer, less powerful lights to achieve the same level of lighting.

Task lighting – refers to lighting that is focused on areas of the store that require more lights such as till points, fitting rooms, and grocery aisle. Customers need more lighting in the fitting rooms to access the fit and look of the item they are trying on. Customers require more lighting on grocery aisles so they can see products and read labels clearly. Cashiers need extra lights, so that they can better see their tills and do their jobs more effectively. Task lighting is also used for highlighting store signs, and the entrance area so that customers can clearly read your store’s name and are welcomed into your store.



*Lighting enhances the natural colour of the fruit making it appealing to the customer.
“Eye appeal is Buy Appeal”*

Accent lighting – refers to lighting that can be used to highlight specific areas to draw customers’ attention to specific products and to give customers the sense that these products are important and noteworthy. Accent lighting is an excellent way to highlight seasonal products and to highlight specific products on shelves or in display nooks. Accent lighting is also highly effective in window displays since they visually emphasise your products and help to bring people into your store.

Decorative lighting – is all about visual appeal and much less focused on illumination. Light fixtures play a huge role in this lighting as they need to be beautiful and decorative. Decorative lighting can also be used to invoke nostalgic feelings, such as using a string of small white lights in a winter holiday display to invoke childhood memories in customers.

By effectively combining these four types of lighting you can make your store more effective at drawing customers in and enticing them to purchase items from your store.

Led lights vs florescent lights

For a long time, retailers relied heavily on florescent fittings, but recently many retailers have switched to LED lighting. LED lighting is a cost efficient, energy efficient option for retail stores.

While any type of lighting is useful, retailers, are particularly seeing measurable benefits from using LED lights. These types of lights are small, bright and illuminate targeted areas, all traits you need in the lights intended for retail stores.

Contrast lighting and back lighting

By using multiple sources of lights in your retail store, you can create contrast around your products – drawing the attention of your customers towards the shelf, making it easier for them to see the details of the individual products.

Try creating shadows around displays and use spotlights to highlight products on important shelves. Use strategically placed lights to point at where you want your customers eyes to go. Except for what is on their shopping lists, people buy what they notice.

You cannot highlight every area of your store with contrast lighting because there would not actually be any contrast. By using strong contrast sparingly, you can focus on drawing your customers attention to sale areas, new items or high ticket products.



Warm White (2700K) pendants, as well as spot fixtures, are used to create a warm, cosy atmosphere. The colour of the light highlights and compliments the furniture.

For wide displays where you want to highlight a large area, instead of pinpointing a single product, try backlighting your displays. Softer backlighting is particularly effective in drawing attention to shelves that are lower to the ground and might otherwise be overlooked.

Backlighting also helps keep customers lingering longer at the shelves as they look through items on each shelf. Backlighting can be used to achieve a softer, more intimate environment as the lack of sharp contrast is more appealing to the eye. Wide area backlighting produces a more attractive effect that accents lighting.

Lighting is part of a greater store strategy for your retail business and brand. The right lighting

can boost your sales and create a wonderful customer experience.

Remember: The customers' perception is your reality. What they think about your product and brand matters. **SR**

“If you don't put your customers' perception first, the game is over.”



Evelyn Naidoo is a Lighting Designer for Imoon SA, specialising in retail. She originates from Durban, and now is a resident of Gauteng. When she is not busy with light design she loves cooking, especially Indian cuisine.



Increase your profits

Retailers now have a tool to increase net profit by up to 15%

As a retailer of over 40 years' experience (not only in groceries, but also liquor, pharmacy and hardware), I was always on the lookout for any means to reduce my out of stocks. Over my career, firstly as a retailer (14 food stores, five liquor stores) and later as Retail Ops director at SPAR Inland and CEO of Link pharmacies and Pick n Pay pharmacies, I placed a great emphasis in reducing out of stocks as the obvious way to increase net profit without increasing expenses.

In the early days of a Kardex system, we manually inputted the orders, deliveries and non-deliveries and endeavoured to manage all items that apparently were out of stock.

Later in 1981, our store in Wilro Park, Roodepoort, was the second store in the country to implement electronic checkout scanning (Knowles of Pinetown was the pioneer). This process speeded up the sale of the products, but the reports were not user-friendly and we still had to resort to 'eye-balling' the merchandise and count stock on hand on the shelf and in the store room to keep up with the out of stock situation.

Today, even if giants like Wal-Mart and local chains use SAP or Oracle or other fancy multimillion dollar software, the out of stock situation continues to be a problem for most retailers. Wal-Mart's latest innovation is the use of robots that cross the store from shelf



“ With out of stocks, either the supplier has let the store down, or the goods are in the storeroom and not on the shelf display ready for sale 📱📱

to shelf to check whether all items are on display. Even then, they have not managed to get to the bottom of the problem.

Is there a solution?

Chris du Preez, as a supplier to the food trade, identified the problem and decided to do something about it. Having spent a substantial amount of money and many years in development, Chris now uses his software under the banner of The Last 50 Yards (as a reference to the short distance from the store room to the shelf) to assist retailers countrywide with an amazing reduction of their out of stock levels.

Worldwide research conducted by giants such as Wal-Mart, Procter & Gamble and Coca Cola arrived at the conclusion that out of stocks averaged 8,3% of monthly sales, with lows of 4,3% and highs of 12,3%. In South Africa, recent experience shows that many stores lose as much as 15% of their sales due to out of stocks.

The same global research indicated these interesting consumer behaviours when confronted by an item missing on the shelf

- 45% of them will substitute for another item
- 15% of the customers will delay their purchase for another time

- 31% will go elsewhere to find the product
- 9% will cancel the search altogether

The Last 50 Yards process is a simple one. Once the retailer authorises the process, the store's daily sales data is transmitted from computer to computer (no human intervention is permissible nor necessary) and an electronic analysis is conducted overnight.

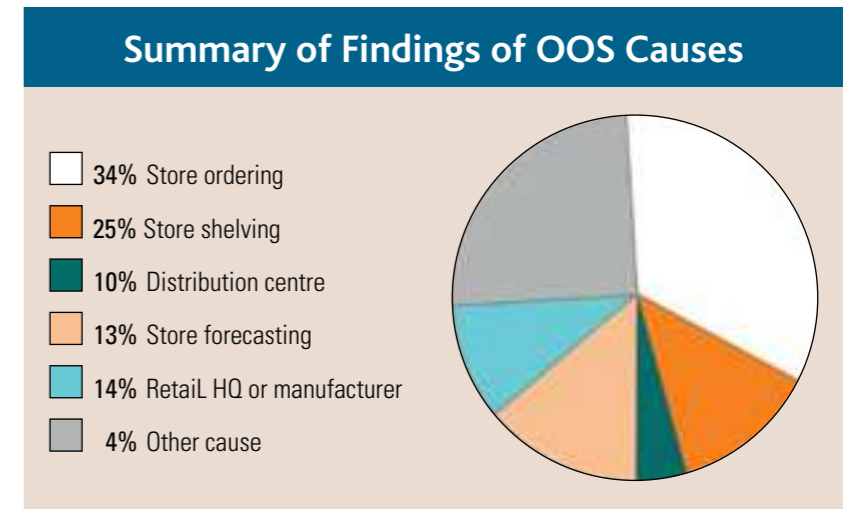
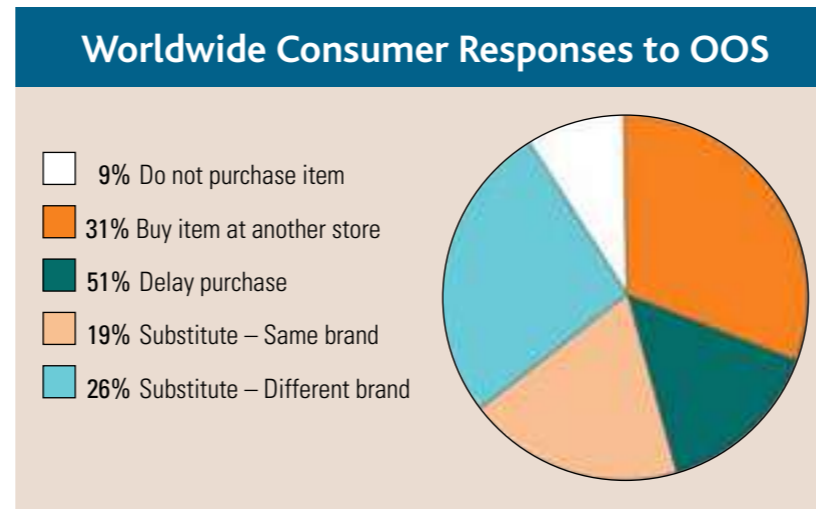
As the retailer arrives at his/her store in the morning, a simple one- or two-page report is available on email indicating the line items that should be checked immediately to verify if they are on the shelf or not. Invariably, over 90% of the items listed have a problem. Either the supplier has let the store down, or, as in most cases, the goods are in the storeroom and not on the shelf display ready for sale. The tool also works exceptionally well in the service departments. Examples include bakers that stop producing a confectionery product on a given day or butchers that change the boerewors production on a whim without management's knowledge.

Amazing results

Stores that use the tool religiously every day have managed to drop their out of stocks by up to 75% (it is almost impossible to achieve a 100% success rate).

A store that averages a 2% net profit after expenses is capable of increasing it to 2,3% (the Rand value of such bankable profit increases by up to 15%) by the consistent implementation of the tool that

Consumer response to OOS Using Item Velocity Measurement						
Product Group Measured	Lost Sale (LS)	Delay (D)	LS+D (Retailer Immediate Loss)	Substitute Same Brand	Substitute Other Brand (Mfr Loss)	Total Substitution
Top 2000 SKUs	66%	4%	70%	15%	15%	30%
Top 100 Private-Label SKUs	56%	2%	58%	20%	22%	42%
Top 100 Manufacturer SKUs	48%	5%	53%	24%	23%	47%
Diaper Brand A	67%	7%	74%	12%	14%	26%
Diaper Brand B	49%	1%	50%	39%	11%	50%
Detergent Brand A	52%	6%	58%	42%	0%	42%
Detergent Brand B	1%	1%	2%	0%	98%	98%
Paper Towel Brand A	47%	8%	55%	20%	25%	45%
Paper Towel Brand B	5%	4%	9%	35%	56%	91%
U.S. Survey Data (Benchmark calculated from Exhibit 11)	43%	17%	60%	20%	20%	40%



is cost-effective and very easy to use. I wish I had this tool when I was at the rockface! Interested parties should contact Chris on 074 997 7922 or find *The Last 50 Yards* on Facebook. **SR**



Hippo Zourides is an independent business consultant who has assisted businesses in the retail and wholesale environment in the fields of food, pharmacy, hardware and garage forecourts.

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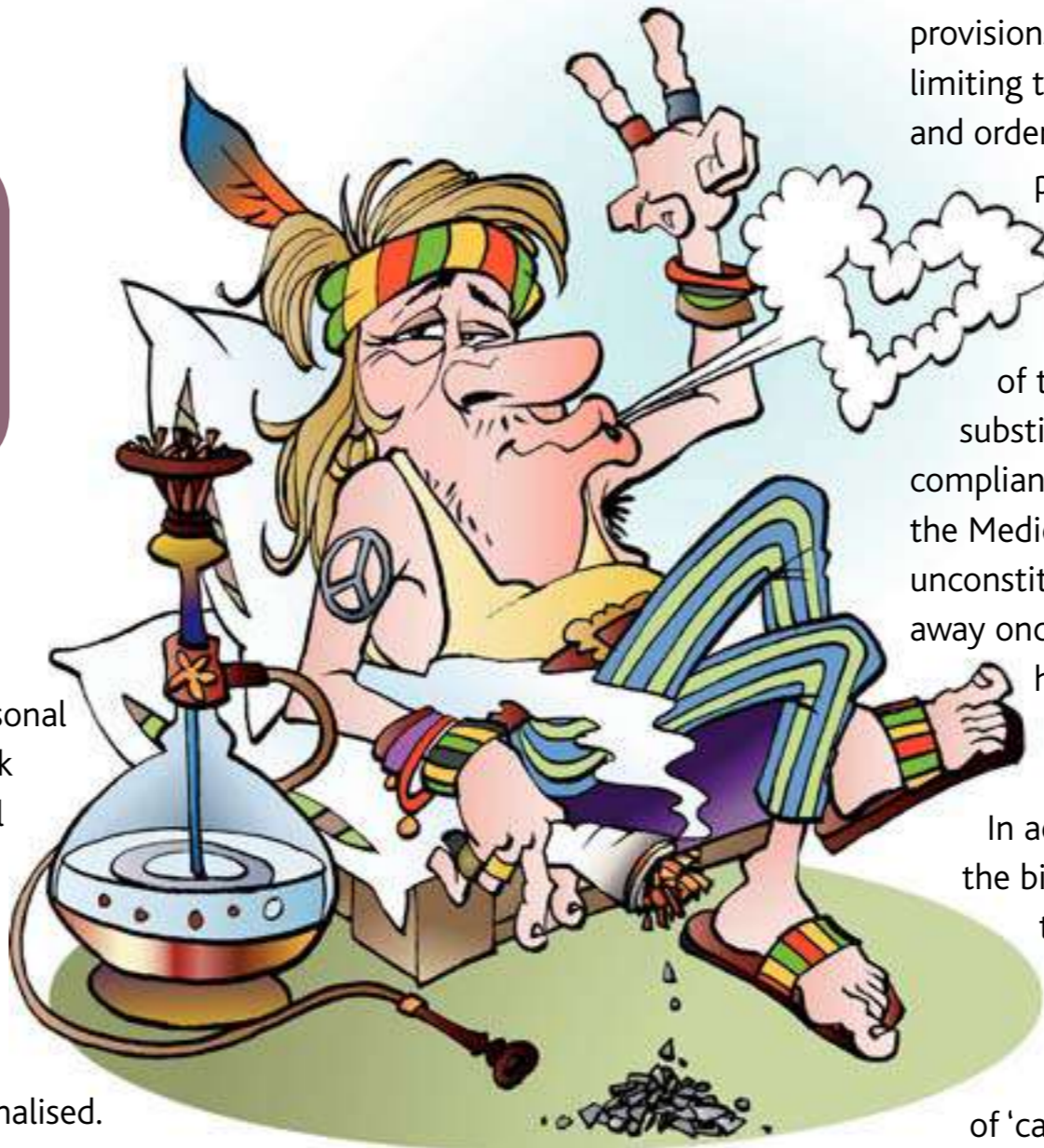
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The new Cannabis for Private Purposes Bill Taking us forward, backward, or nowhere at all?

By Rodney Africa Partner
Mirren Sharp Associate
Lerato Molefi Candidate Attorney
& Maison Samuels Candidate Attorney
Webber Wentzel

The recently published Cannabis for Private Purposes Bill has some good elements; but may fail to create a new commercial industry or provide clarity to an area mired in uncertainty

Cabinet recently approved the Cannabis for Private Purposes Bill, 2020, to regulate the use and possession of cannabis, as well as the cultivation of cannabis plants by adults for personal use. The bill seeks to give effect to the landmark September 2018 decision by the Constitutional Court in the Prince judgment. In this judgment, the use or possession of cannabis in private by an adult for his/ her own consumption, as well as the cultivation of cannabis by an adult in a private place for his/ her own personal consumption in private was effectively decriminalised.



The Court declared unconstitutional those provisions of the Medicines Act and Drugs Act limiting the ability to use cannabis in such ways, and ordered Parliament to correct these invalidated provisions within 24 months from the date of the judgment, during which time the judgment would be suspended. During the suspension of the operation of the order of the invalidity the court substituted, i.e., read in, its own (constitutionally compliant) provisions for those provisions of the Medicines Act and Drugs Act found to be unconstitutional, and held that these would fall away once the defective legislative provisions had been cured by Parliament. A failure by Parliament to do so would result in the reading-in order becoming final. In accordance with the Prince judgment, the bill removes cannabis from the Schedules to the Drugs Act, which lists cannabis and tetrahydrocannabinol as an undesirable dependence-producing substance. Hemp is expressly excluded from the definition of 'cannabis plant' in the bill, which



appears to contemplate that hemp will be separately regulated. The position of the South African Health Products Regulatory Authority (SAHPRA) is that the Department of Agriculture, Land Reform and Rural Development will be responsible for the regulation of hemp and hemp products.

In terms of the new bill, an adult person may for personal use:

- possess unlimited cannabis seeds and seedlings for purposes of cannabis cultivation material
- cultivate four flowering cannabis plants or cannabis plant equivalents per adult person in a private place
- possess, in private, 100 grams dried cannabis or cannabis equivalent in a public place
- possess in a private place 600 grams dried cannabis or cannabis equivalent per adult or 1200 grams dried cannabis or cannabis equivalent per dwelling, which is occupied by two or more adult persons
- possess, in private, one flowering cannabis plant or cannabis plant equivalent in a public place.

Subject to the limitations set out in the bill, adults are permitted to consume cannabis in a private place, and adults may without the exchange of remuneration provide to, or obtain from, another adult, for personal use:

- 30 seeds or seedlings or any combination thereof for purposes of cannabis plant cultivation material

“ Hemp is expressly excluded from the definition of ‘cannabis plant’ in the bill which appears to contemplate that hemp will be separately regulated. ”



- one flowering cannabis plant or cannabis plant equivalent; and
- 100 grams dried cannabis or cannabis equivalent.

The bill prescribes four classes of offences which impose increasingly harsh penalties, depending on the offence concerned.

The offences contemplated in the bill primarily relate to whether the cannabis in question is within prescribed quantities or being possessed or used in the appropriate location or, further whether

the cannabis use/possession is appropriate having regard to both of these factors in conjunction, for example, is within the prescribed quantity stipulated for a public place specifically.

The bill makes it an offence, amongst others, to smoke cannabis in a public place, in a vehicle on a public road, or in the immediate presence of any non-consenting adult person/child. The bill also contains specific provisions prohibiting the use, possession and cultivation of cannabis when doing so involves children.

The bill, however, automatically expunges the criminal records and sentences of persons previously convicted of contravening several legislative provisions regulating cannabis use, notably the provisions of the Drugs Act that criminalised the use and possessions of cannabis.

On the face of it, the bill does not expressly envisage commercial applications of cannabis. The bill also does not appear to protect or make provision for the utilisation of cannabis for traditional uses, and does not seek to directly promote the small-scale cannabis/ dagga growing industry, which was considered to be a promising catalyst for the growth of South Africa's most underdeveloped regions and the development of small-scale businesses.



These may represent missed opportunities that ought to have been explored in the bill, particularly having regard to the country's dire prevailing economic situation.

Adding to this, the Minister of Health recently amended various Schedules to the Medicines Act introducing several changes to the regulation of cannabis-related products including cannabidiol (CBD), the non-psychoactive component of cannabis. These amendments introduce a limit to the amount of CBD that may be sold freely per sales pack and impose additional compliance requirements on those wishing to sell such products. These amendments similarly impede the growth of what had been a burgeoning industry in South Africa and will likely inhibit local

businesses from participating meaningfully in this sector on an international scale.

The bill has been tabled in Parliament for processing, and will still need to undergo a public consultation process before it can be passed into law. It is likely that the 24-month suspension of invalidity ordered by the Constitutional Court in Prince will lapse before the invalidated provisions are remedied by legislation. Unless a further extension is granted, the reading-in order by the Court will take effect, likely introducing further confusion into a legal landscape already mired in uncertainty. **SR**



ISM 2021: Organic product segment continues to expand

Covid-19 has contributed towards the growth of the organic segment with international newcomers in organic products at the world's largest trade fair for sweets and snacks – ISM 2021.

Organic has been booming for years and has long since become part of the consumer's everyday routine. The Corona pandemic is contributing towards the further growth of the organic segment. According to the Association for Consumer Research (GfK), the demand for organically cultivated food rose significantly more strongly during the first three months of the Corona crisis than the turnover of the food trade as a whole. But also, regardless of the Corona pandemic, the organic market continues to grow.

According to the Research Institute for Organic Farming (FiBL) and the Agricultural Market Information Association (AMI), the expenditure of private households on organic products has more than doubled since 2010. In 2018, organic foodstuffs to the value of 40.7 billion Euros were sold throughout Europe, 37.4 billion Euros of which in the European Union.

Particularly the organic snacks segment is experiencing enormous growth, because the consumers are attempting to reconcile their work-intensive lives with staying healthy. Snacks play



a decisive role here, because snacks can provide useful nutrients, when there is no time for a proper meal. According to a report from the Global Organic Snacks Market, which was published by

KBV Research, the global organic snack market is expected to turn over Dollar 23.7 billion by 2025, which corresponds to a market growth of 14.09% CAGR during the forecast period.



The following companies are among the international first-time exhibitors in the organic segment: Bäckerei Evertzberg (Germany), BSCG (the Netherlands), Gusania (Lithuania), Incom d.o.o. – LEONE Chocolate (Slovenia), LNS Trade (France), Mipama (Poland), Moulins de Kleinbettingen (Luxemburg), Nut Vinograd (Russia) and Thai B.B. Fruit (Thailand).

dried fruit. In addition to companies with many years of expertise in the organic segment, many young companies are exhibiting at ISM as well as companies that have expanded their line-ups to include organic items.

New products are also awaited in the Trend and Natural Snacks section in Hall 5.2. Furthermore, also in Hall 5.2 the new Ingredients segment of ProSweets Cologne that is being staged parallel “ProSweets Ingredients – inspiring products” will also deliver interesting new approaches and product solutions. With a view to the implementation of sustainable raw materials and innovative ingredients for the production of sweets and snacks, this section will without doubt not only be of interest for the organic exhibitors of ISM.

These market developments will also be reflected at ISM, the world’s largest trade fair for sweets and snacks.

In 2017 only 282 exhibitors with organic products were represented at this global trade fair, whereas in 2018, with 362 exhibitors, the share of organic exhibitors was already around 25 percent.

At the 50th edition of ISM in 2020, ISM set a new record with 425 companies that presented numerous organic products. This corresponds to a growth of around 34 percent for the period between 2017 and 2020. 175 exhibitors, who will be presenting their organic products at the trade fair, have already registered for ISM 2021. Based on previous experiences, this figure will more than double over the coming months.



The offer of organic products at ISM is thus larger than ever and the organic segment once again holds a variety of products in store for the coming event in 2021. This ranges from organic chocolate and sweet organic sandwich spreads such as nut nougat creams or jam, to cakes and biscuits, ice cream through to organic snack items such as vegetable chips, energy bars or

Koelnmesse – Global Competence in Food and FoodTec:

Koelnmesse is an international leader in organising food fairs and events regarding food and beverage processing. Trade fairs such as the Anuga, ISM and Anuga FoodTec are established world leaders. Koelnmesse not only organises food and food technology trade fairs in Cologne, Germany, but also in further growth markets around the globe, for example, in Brazil, China, Colombia, India, Italy, Japan, Thailand and the United Arab Emirates, which have different focuses and contents. These global activities enable us to offer our customers a network of events, which in turn grant access to different markets and thus create a basis for sustainable and stable international business. **SR**

POPIA: What employers need to know

By Kirsten Eiser Partner
& Shane Johnson Professional Support Lawyer
Webber Wentzel

The Protection of Personal Information Act 4 of 2013 (POPIA) which came into force on 1 July 2020 places several obligations on employers in terms of managing employees personal information; it also gives certain rights to privacy to employees. Employers need to be fully compliant with POPIA by 30 June 2021.

Non-compliance can result in significant penalties – up to 10 years’ imprisonment and/or ZAR 10 million in administrative fines.

The key things you ought to know as an employer

POPIA applies to personal information and special personal information that is subject to processing or further processing.

Processing encompasses a wide range of activities including the initial obtaining of personal information and the use and retention of that information as well as access, disclosure and final disposal of that information. From an employment perspective, POPIA applies to:

- information such as identity numbers, contact details, employment history, psychometric assessment results, references, qualifications,

disciplinary records, union membership, grievances, health and biometric information

- the full life cycle of the employment relationship – from recruitment to post termination and continues to apply for five years after the relationship has ended (and still applies where the employer is approached as a reference).

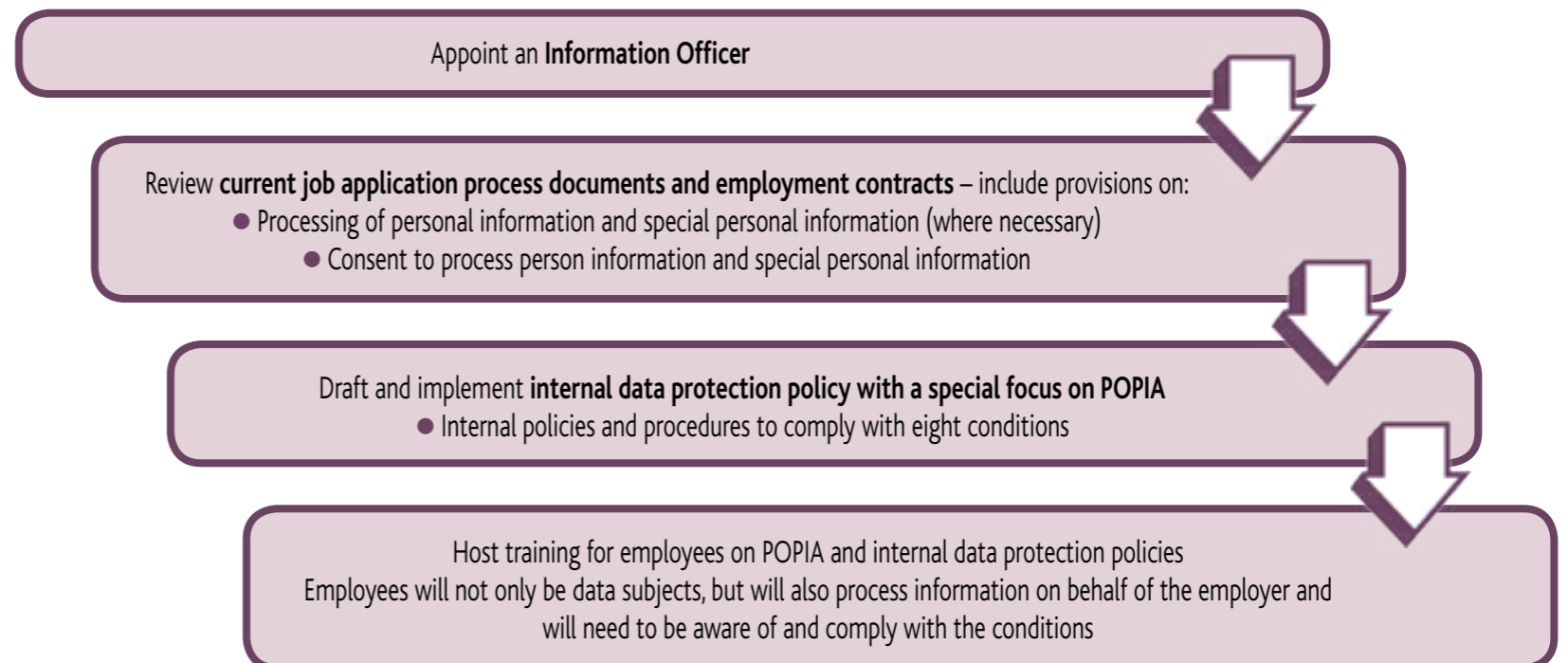
Employers must therefore ensure that they lawfully process the personal information of job applicants, employees, retired employees and dismissed employees. To the extent that employers process personal information of independent contractors

and other service providers, they must also ensure that they lawfully process such information. Lawful processing will be achieved by complying with the eight conditions set out in POPIA:

1. Accountability
2. Processing limitations
3. Purpose specifications
4. Further processing limitation
5. Information quality
6. Openness
7. Security safeguards
8. Data subject participation

Steps for employers

From an employment perspective, employers should take the following steps to ensure POPIA compliance...





POPIA prohibits processing of special personal information, which includes information on race, health, criminal behaviour and trade union membership unless:

- an employer obtains express consent to do so from the relevant employee
- information is required by law (legal necessity)
- the information is for historical, statistical or research purposes

- the information was deliberately made public by the data subject.

Civil claims against employers

Section 99(1) of POPIA provides that a data subject or the Regulator (at the request of the data subject) may institute a civil action for damages against a responsible party for breach of POPIA. Action may be instituted irrespective of whether or not there is intent or negligence on the part of the 'responsible party'. 'Responsible party' include employers.

Employers must bear in mind that many employees process high volumes of personal information both internally and externally.

A good example of this in practice is the Human Resources function of any employer.

Employers will need to ensure that they follow the steps listed previously to limit the risk of employees processing information unlawfully and in contravention of POPIA.

Employers should bear this section in mind as it creates significant legal risk for employers if employees do not process information lawfully and in compliance with POPIA.

For assistance and information on our data protection & information offering, [click here](#).

To download an infographic that unpacks POPIA and outlines what you may need to know at a glance, [click here](#). **SR**

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All aboard as shipping and aviation resolve disputes virtually

By Lana Stockton

Senior Associate, Bowmans

Lockdown or no lockdown, legal proceedings involving shipping and aviation disputes have been going full steam ahead during the COVID-19 pandemic.

Virtual hearings have taken off and are cruising along smoothly – for the most part – now that the initial wobbles of resolving disputes over the phone, online or via video or audio conferencing have been streamlined.

In the months since countries across the world started battening down the hatches, a number of major disputes involving in the international and African shipping and aviation space have moved into the virtual dispute resolution domain.

In the virtual London Court of International Arbitration, Bowmans has been running a full virtual arbitration hearing in a commodities dispute. In addition to English counsel and a London-based arbitration tribunal, the hearing involves parties and witnesses across multiple jurisdictions. They have all largely taken the advent of virtual proceedings in their stride.

African-based dispute resolution has also embraced the virtual realm. In a recent matter



involving parties in South Africa and Namibia, court applications were successfully made telephonically and online in both countries. In another matter, three parties with representatives in both South Africa and Botswana took part in a virtual mediation.

In pre-pandemic times, these matters would have necessitated thousands of kilometres of travel as parties and their legal counsel from across the world or the continent converged in one place to resolve their differences.

Pros and cons

There is unquestionably a benefit to being in the room with clients, counsel and the legal team during a hearing, whether it is to brainstorm a strategy, pass a note or respond to witness behaviour. Similarly, there is great benefit to all parties being in the same room together during a mediation.

By the same token, there is benefit to be had from the efficiencies and convenience of fully virtual hearings. These benefits are all the greater when hearings are planned properly and the practical and legal constraints of virtual dispute resolution are taken into account.

For example, there are times where in-person attendance cannot be avoided, such as when court papers must be physically issued. Similarly, it is essential to have back-up plans in place, to ensure that hearing protocols are in place and to make provision for virtual breakaway rooms for arbitration and court hearings. It is also important to compensate for the fact that physical cues may not be as apparent in virtual hearings as in in-person ones.

Physical cues in virtual settings

Cross examination is very different in a virtual setting. Because physical cues are not as clear on video, counsel and witnesses interrupting one another tends to become an issue. Addressing this, however, can be as simple as pausing after questions and answers to ensure that nothing is lost in interruption.

And although physical cues such as the witness's tone, eye moments and body language are often less obvious than they would be in-person, they are not lost altogether. Anyone paying close attention can still pick up and use these cues.

Witness behaviour is also important. In a virtual arbitration, witnesses need to be coached to always look at the tribunal, preferably by pinning

their screens on the tribunal members and their expressions, rather than on opposing counsel, who may be expressing themselves non-verbally, potentially distracting the witnesses.

With virtual hearings becoming more commonplace, and counsel, court officers and clients becoming more familiar with the dos and don'ts, the question arises as to whether this will become the 'new normal' for international hearings and mediations.

Perhaps, moving forward, more elements of virtual hearings will be integrated into all hearings given the clear efficiencies, access and convenience – ensuring that clients benefit from the best of both worlds, virtual and physical. **SR**



Chargeback rights explained

What are your rights when an online transaction goes wrong?

The worldwide pandemic, and associated lockdown, have brought about many changes in consumer behaviour. One of which is the surge in online shopping.

As South African consumers adapt to the new normal, where traditional ways of shopping are largely discouraged in favour of online shopping (in an effort to promote social distancing), the number of card-not-present transactions (card transactions that occur while the buyer and seller are not in the same place) has increased exponentially.

The Ombudsman for Banking Services, Reana Steyn, has advised that her office is receiving disputes on a daily basis regarding these transactions. "These types of transactions have become an integral part of most South African consumers' method of transacting. In the event of disputes with merchants regarding such transactions, most consumers are completely in the dark about their rights and obligations," Steyn advised.

She added that the OBS notes that the process and rules relating to disputing online transactions are often misunderstood. "This leads to further frustration for consumers," says Steyn.

She adds that an important part of the mandate of the OBS is to proactively promote consumer



awareness of banking matters. The Ombudsman has identified that there is a significant need to raise awareness on what a chargeback is, the purpose thereof, and the circumstances when a chargeback can be raised.

Chargeback's should only be filed by a cardholder (consumer) in extreme situations and should not be used as a first option when seeking a refund from the merchant. The exception to this is instances of fraudulent transactions.

What is a chargeback?

Chargebacks are a consumer protection mechanism. A chargeback is a reversal of a credit or debit card transaction that is initiated by the bank following the request by the cardholder (consumer).

Upon receipt of a chargeback request from the cardholder, the cardholder's bank will investigate the matter. If it is established that the cardholder's request is valid, the funds of the transaction will be debited from the merchant's account and returned to the cardholder.

Reasons for chargebacks

The Ombudsman pointed out that the purpose of a chargeback is to protect cardholder against abuse by merchants. It is important to note that chargebacks cannot be used by cardholders to defraud merchants.

Some examples of reasons why cardholders typically file for chargebacks include:

- Products or services are *not as described* (do not fit the description of what was advertised):
- Reasons for a *not as described* chargebacks include damaged or defective merchandise, counterfeit merchandise (if it was described as genuine and turned out not to be) or misrepresentation of the terms of the sale;
- It also includes items that are received in a damaged state, merchandise that is missing pieces, or tickets that arrive after an event has already occurred. However, it is important to

note that items that products which are sold *as is* (voetstoets), or the condition of the product is clearly pointed out at point of sale, are not eligible to be disputed;

- Another reason for chargebacks when the product is *not as described* is where the merchandise is not the correct size, colour, quantity (as stated/ordered), or the quality of workmanship does not fit the description of the advertised product
- An example of a chargeback when the product is *not as described* is where the contract terms and conditions are not as described. For example,

the return policy or money back guarantees were changed without the cardholder's consent

- The cardholder is not notified that the date of service was unilaterally changed or postponed
- The merchant is unable to provide the service. This is typically when the merchant has gone out of business or has voluntarily ceased operations with no plan to compensate consumers
- The ordered goods did not arrive on schedule, or by the mutually agreed extended delivery date. This may apply even if the situation was beyond the merchant's control (if the goods did not arrive due to travel delays or quarantine)



- The cardholder's flight has been cancelled and the transaction was debited by an online travel agent
- A cardholder typically requests a chargeback if the merchant provides a reasonable alternative instead of a monetary refund but the customer declines and a refund is not provided in a timely manner. In this instance, the validity of the chargeback will depend on the merchant's terms and conditions which are usually provided at the point of sale.

Time limits and the process to be followed for a chargeback claim

It is very important to note that if a cardholder wishes to raise a chargeback, it needs to be filed within 120 days from the transaction processing date, or the delivery date of the goods or services.

Card scheme rules, of MasterCard and Visa, require that the cardholder first lodges a dispute directly with the merchant before approaching the bank for a chargeback. The exception to this pertains to cases of fraud.

The cardholder may also be expected to return/attempt to return the goods to the merchant or cancel the service before requesting a chargeback.

Written documentation (a letter, an email or a dispute form) must be provided to the cardholder's bank. The cardholder needs to describe the nature of the dispute, and detail all relevant information; this includes the date of the transaction, the amount involved, and proof of dispute sent to the merchant.



When is a chargeback not applicable?

Instances where it is recommended that a cardholder should not raise a chargeback includes:

- When the cardholder has buyer's remorse
- When the return process seems too cumbersome
- When the cardholder was not patient enough to wait for (or didn't understand) the delivery schedule
- When the cardholder did not act promptly and the return time limit has expired
- When a family member made the purchase and the cardholder does not want to honour the payment
- When the cardholder forgot about or did not recognise the transaction
- When the cardholder wants to make some extra money and/or wants something for free.

Instances where a cardholder cannot raise a chargeback include:

- When a service is available but the cardholder declined the use of a purchased service due to concerns related to Covid-19

- When a cardholder is unable to use available services because of travel restrictions
- When a cardholder has been charged a no-show penalty for failing to cancel a reservation as per the merchant's cancellation policy
 - When a cardholder missed a flight (for any reason) and, as a result, missed a subsequent separate non-refundable service such as a cruise or prepaid hotel reservation
 - When the cardholder accepted a reasonable alternative for future compensation (service) from the merchant such as a voucher or merchant-branded gift card. In this instance, it will be deemed that the cardholder has had a change of heart and asks for a refund but is denied a refund.

Tips

There are basic steps that consumers can, and should follow, when considering a chargeback.

In the event of fraud, the consumer should immediately report the disputed transaction to the bank without approaching the merchant. As a cardholder, it is your responsibility to ensure that your account is being properly used.

If you do not recognise a charge on your account, do not assume it is fraud. You first need to consult the individuals who have access to the card and see if they authorised it without your knowledge.

"Consumers then need to contact the merchant to verify any purchase that they do not recognise.





It is possible that the cardholder simply does not recognise the business name or may have forgotten about the purchase,” says Steyn.

She adds that it is vital that cardholders carefully read, and clearly understand, the terms and conditions of the purchase before completing the transaction. Do not click accept if you do not understand or agree with the policies.

Before requesting a chargeback, it is important that cardholders double check what they originally agreed to as they are bound by those terms; even if you did not read them.

Card holders are encouraged to cancel subscription services long before the next billing cycle runs. This provides the merchant with plenty of time to terminate the agreement. This process could take a while, so do not expect it to be cancelled in a day or two.

In addition, cardholders are encouraged to give the merchant sufficient time to offer alternative compensation (ie: a refund or a gift voucher) before assuming that fraud is being committed.

Cardholders can decrease their risk of fraud by not letting anyone borrow their card. They are also encouraged to keep their

personal information safe and shop on HTTPS sites with a secure WiFi connection.

Lastly, the OBS strongly recommends that cardholders sign up for services such as Mastercard 3D SecureCode and Verified by Visa.

How to get help from the Ombudsman for Banking Services during the lockdown.

The OBS has taken stringent measures to protect both our employees and complainants.

During lockdown, the OBS staff will be working remotely from home. However, the office is fully operational from 8am to 16:30pm, on Mondays and Wednesdays. When the office is closed, complainants cannot visit the OBS premises.

OBS staff are available to assist with enquiries and we encourage complainants to log complaints through our online and telephonic services.

Complainants can lodge a complaint in one of the following ways:

- Online submissions (<https://www.obssa.co.za/resolving-complaints/make-a-complaint/>)
- By email: info@obssa.co.za
- By phone: 0860 800 900
- By downloading an application form from the website., (<https://www.obssa.co.za/wp-content/uploads/2018/04/Application-for-Assistance-form-FINAL.pdf>)

Complainants who have already lodged a complaint may track their complaint online by clicking on the following link: <https://www.obssa.co.za/track-a-complaint/>. Alternatively, they can call the office to speak to our staff on 0860 800 900.

How to complain

“It is important that the proper protocol is followed when lodging a complaint. A formal, written complaint can be lodged directly with your bank’s dispute resolution department. During this process, it is important to ask for a complaint reference number from your bank. Complainants also need to allow the bank 20 working days in to respond to your complaint. Finally, complainants need to obtain a written response from their bank,” says Steyn.

Alternatively, consumers can contact the office of the Ombudsman for Banking Services for free assistance if they experience any banking problems or would like us to assist them with lodging a complaint against their bank. **SR**

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More ways to save, send and spend with Shoprite's FREE new Money Market Account

Shoprite has launched its new Money Market Account, a free transactional account to give customers more ways to save, send or spend their money. This Account is available on the new Shoprite app or USSD. Its main benefits are...

- No monthly fees, no load fees, no transaction fees.
- No debit orders – customers are in full control of their money.
- No forms, no fees, no FICA – anyone can open an account.

With a Money Market Account in their pockets, customers can now access many of the services available at the in-store Money Market counters, such as paying utility bills, buying airtime, data and Savings Stamps, as well as sending and receiving money. The Money Market Account will also allow customers to transact online, including at Computicket, where they can book bus tickets online or watch their favourite streaming events. They will also soon be able to use their Money Market Account on other websites, making e-commerce more accessible to everyone.

"Money Market is a brand that our customers have come to love and trust over the years," says Jean Olivier, General Manager: Financial



Services for the Shoprite Group. "We are extending its services to help our customers to transact securely and to save, as we are acutely aware of the importance of saving at this time."

Businesses of any size can also use the Account to process bulk payments, including rewards, incentives and grocery vouchers. Recipients only need a cell phone to access their funds. The Account, which replaces the basic Shoprite Money product launched in May 2018, will grow to have most of the transactional capabilities of a full banking account.

Instead of having to stand in long queues to withdraw cash from an ATM, customers can use their Money Market Accounts to pay for transactions in any Shoprite, Checkers or Usave store.

Many customers are familiar with and use Shoprite's Savings Stamps, and although the physical stamps will continue to be available in stores, they are now also available virtually via the Money Market Account.

Recent research indicated that mobile money services in sub-Saharan Africa in 2019 had almost 470 million registered users transacting 23.8 billion times at a value of \$456.3bn or 66% of the global total. Southern Africa only accounted for 2% of the value, but the adoption of mobile money is growing strongly and has been intensified by the Covid-19 pandemic which has caused many people to reconsider using cash.

- **To register** for a Shoprite Money Account free-of-charge in under 60 seconds, customers can download the new Shoprite app from the App Store or Google Play Store, or dial *120*3534# and enter their name, surname, ID or passport number and choose a 5-digit pin.
- **Loading cash** is easy and free. Customers can simply go to a Shoprite, Checkers or Usave store, select "Top up Account" on their phone, give the cashier cash and enter the 8 digit token displayed on their phone into the card machine, and that is it! Balances will update immediately. **SR**



Construction industry must gear up for POPI, or face the consequences

The commencement of the Protection of Personal Information (POPI) Act will impact a vast number of businesses,



regardless of their nature or size. And as one of the major contributors and employment providers to the South African economy, the construction industry is no exception, says Databuild CEO Morag Evans.

Nicol Myburgh, POPI Act adviser to Databuild,



echoes these sentiments.

"Businesses have until 30 June 2021 to get their house in order. Those that fail to comply with the legislation will be held accountable in the form of hefty fines or prison sentences.

"Additionally, the resultant reputational damage that can follow an information breach is incalculable and could lead to costly legal action and the ultimate demise of the business."

According to the Act, everyone has a right to privacy and protection from damage resulting from the misuse and abuse of personal information, such as financial fraud and identity theft. To this end, the legislation aims to prevent the unlawful processing

of personal information of South African citizens.

"This means businesses are not only limited in the way they collect, process, store and share personal information, but are also legally obligated to protect its privacy," Myburgh explains.



Any personal information regarding employees, suppliers or clients falls under the auspices of the Act. This includes human resources and payroll data, CVs, employment applications, CCTV records, performance reviews and some internal email records.

As custodians of this information business owners must ensure they put adequate measures in place to protect it but, Myburgh points out, there is no one-size-fits-all approach when it comes to achieving compliance with POPI.

"Business owners will be required to conduct an in-depth analysis of all the personal information

within their organisation, including where it is obtained and what is done with it.

"Appropriate data privacy policies, together with adequate data security practices must be developed and implemented, and these must be regularly reviewed and updated to ensure they remain aligned to POPI's requirements.

"A training and awareness programme within the organisation is also a good idea to ensure that all employees understand the relevance of POPI and why it is important.

Myburgh advises companies that have not started becoming compliant to do so as soon as possible. "Those that don't could face severe penalties, including a R10 million fine or up to ten years in prison."

"POPI aims to bring South Africa's privacy laws in line with international standards and plays an integral role in preventing the abuse and exploitation of personal," says Evans. "The legislation should not be viewed as burdensome, but rather an opportunity to simplify, review and streamline businesses processes.

"Companies that embrace this legislation early could realise numerous benefits over the long term, including cost savings and digitalisation, which is long overdue in the construction industry." **SR**

South African consumer sentiment feels the effects of Covid-19

South African Consumer Confidence Index for the second quarter of 2020 reveals a massive 20 point drop to 68 – the lowest level in 15 years, according to The Conference Board Global Consumer Confidence Survey, conducted in collaboration with Nielsen, clearly illustrating the detrimental impact of COVID-19 on consumer sentiment.

Nielsen South Africa Connect MD Kelly Arnold comments; “Despite South Africa emerging from restricted living and the restarting of the economy it’s clear that the pandemic has had an immediate and titanic impact on consumer sentiment. “To place the latest results in context, this is the biggest drop that we have seen in a single quarter since the inception of the survey. It also makes South Africa one of the top 10 countries globally in terms of the extent of its decline.”

Within the current scenario, South Africans’ immediate spending intentions have unsurprisingly declined by 12 points, with only 21% of South Africans saying now is a good or excellent time to purchase what they need or want.

South Africans’ view of their finances for the next year has also seen a significant 29 point drop



to 34% and only 17% of respondents have a favourable view of their job prospects in the coming year, down by 6 points compared to the previous quarter.

Cash priorities & major concerns

In terms of disposable income, 79% of South Africans say they have spare cash. Once they meet their essential living expenses, the highest number said they would spend their spare cash on saving (48%) followed by paying off debt, credit cards or loans (37%) and 27% who said they would spend it on new clothes.

Understandably there was a marked drop of 9 points for those who would put spare cash into

going on holiday compared to the previous quarter.

The current environment has also caused South Africans to tighten their financial belt with 87% saying they have changed their spending to save on household expenses compared to this time last year.

The top action they have taken to achieve savings is cutting down on takeaway meals (69%), followed by 64% saying they are spending less on new clothes and 45% who are switching to cheaper grocery brands.

Looking to the future, by far the biggest concern of South Africans over the next 12 months is the economy (48%) followed by job security (46%). Health is up a substantial 15 points from the previous quarter to 25%, propelling it into the Top 3 consumer concerns.

Elaborating on the overall South African CCI results, Arnold says; “The South African consumer is currently battling the economic fallout from COVID-19 and is feeling financially fragile, to say the least. As South Africa emerges from the lockdown; manufacturers and retailers will need to develop a deep understanding of the fundamentally altered consumer sentiment and devise new business strategies that will meet a range of their altered needs. **SR**

Location intelligence

Improving efficiencies for the logistics sector as lockdown eases up



By Gary Allemann
MD at Master Data Management

As lockdown restrictions ease slightly in South Africa and some economic activities resume, the logistics and transport sector is likely to become a centre point of the “new normal” as consumers increasingly shift to remote shopping. As a result, traffic is going to surge as people go back to work and school, all of which adds a layer of complexity to logistics planning. Under such challenging circumstances, the use of real-time data analytics and location intelligence to optimise operations and minimise delivery delays is one way to reduce costs and improve the Customer Experience (CX).

Accelerated change

Companies in the logistics sector have already started embracing digital transformation, and the Covid-19 pandemic has only exacerbated the need for improved efficiency as economic conditions get tougher. Location intelligence – which Forrester defines as “the practice of collecting and managing customer location data, enriching it with other data sources, and analysing for contextual insights



for the purposes of informing optimised actions, decisions, and customer experiences” – can vastly streamline and improve operations.

For example, fuel consumption analytics can improve driving efficiency; driver monitoring and fleet performance analytics can optimise running costs and reduce risks, while GPS technologies can reduce waiting times at allocating warehouse bays. For deliveries, courier companies are better able to manage real-time routing of deliveries to

customers based on geo-location and traffic data. Additionally, understanding customer availability to accept delivery, combined with intelligent route planning capabilities can significantly reduce delivery times and fuel costs, which would mean drivers can complete more deliveries and increase productivity.

Location based intelligence capabilities are increasingly useful in logistics management, because raw real-time data can now be used in



ways that were not previously possible. By layering raw data with analytics that assess what that data means for the business and how best to respond to it, analytics can give decision makers the benefit of anticipating more implications of information, in real-time, which makes it possible to handle issues before they become problems.

Garbage in, garbage out

Similar benefits can be achieved in supply chain management. Businesses that are integrating data management and analytics into their operations are already seeing a high return on investment in multiple areas of the business.

“Enhanced analytics capabilities, while dependent on data quality, can produce tangible benefits in areas such as order cycle time, stock management, revenue and customer service.”

A study by Gartner showed that it is possible to reduce inventory by 20 to 30% while augmenting average fill rate by 3 to 7%, which can have significant cost implications.

In supply chain management, forecasts can only be as good as their input.

This is where data quality through solid data governance becomes critical. A workable demand plan requires visibility, which means it's necessary to know what and when customers are going to order and where they will require delivery within



the distribution network. While visibility and insight can only be provided by quality data and an effective analytics capability, such demand visibility will also streamline supply chain functions like vendor-managed inventory solutions and fleet transport management systems.

The ability to understand customer consumption and related inventory shifts is key to improving timelines, boosting customer service and managing costs across the supplier partner chain.

A viable and thriving logistics sector ultimately

is essential to support every industry that is dependent on the movement of goods.

To achieve data-driven logistics, businesses will have to rapidly evolve their digital platforms to unlock the value of their data.

Investments in data management, location intelligence and analytics capabilities enable the necessary visibility to inform planning and execution decision making to improve the responsiveness of the logistics and transport chain. **SR**

