

SUPERMARKET & RETAILER



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Business knowledge for smart retailers
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Packaging, Labels & Scales

**...Sustainability,
technology &
legislation drive
change**

Delight your customers

**Impalas and Irish coffee
... the value of a free
gesture of thanks**

**Heavenly HMR...
...Delicious Deli**

**A blend of the new
& the traditional**





FEATURES



Image Polyoak Packaging

Packaging, Labels & Scales

Aesthetics, durability, legislative compliance, food safety and environmental concerns are components of all in-store and FMCG products – from packaging and labelling in the butchery, bakery, and deli, HMR and fresh produce, the fish counter and salad bar, to all departments in the store that carry packaged brands.

Packaging: Propak Cape trade exhibition

This highly successful yearly exhibition provides an excellent opportunity for suppliers of machinery, products and services aimed at the packaging, food processing, plastics, print, labelling and wine & olive oil production industries to connect with thousands of prospective buyers and to expand their brand.

Packaging: Skills development

The Institute of Packaging SA (IPSA) aims to promote excellence, pride and skills in the art and science of packaging.



Caitlin Bensei, <https://www.shape.com>

Heavenly HMR...Delicious Deli

Innovations in Home Meal Replacement and Deli combine with South African favourites and global influences to provide a blend of the new and the traditional. Consumers now require free-range, ethical sourcing, ingredient listings and food safety, with recyclable or recycled packaging becoming part and parcel of HMR.

STOREWATCH

Spain & Portugal: The Mercadona model

Cost optimisation, operational efficiency, technology, low prices, and a clear image of reliability projected on three pillars – customers, suppliers, and employees ... these are the parts of the Iberian formula to face the future in mass distribution.

Frozen for You

A dedicated retail outlet located in the Neighbourhood Centre in Linksfield, this store truly brings a new meaning to frozen ready-made-meals.

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Image courtesy of Cottonbro Studio, Pexels

Delight your customers

Impalas and Irish coffee ... After noting how the sales of Irish coffees rocketed when offering regular restaurant customers a free Irish coffee as a gesture of thanks, Aki Kalliatakis asks, "In what other ways can we use the power of herd instinct and people's basic instinct to imitate each other to be more successful with our customers?"

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40% of South African consumers say they are in a worse financial position this year compared to a year ago.

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Convenience, accuracy and the taste of a home cooked meal bring feet in-store



Helen Maister

Supermarket retail is a crucial aspect of the food industry, providing consumers with a wide range of products and services to meet their daily needs. One important area of supermarket retail is retail food service, which includes the preparation, packaging, and sale of ready-to-eat meals and snacks.

Supermarkets also rely on effective packaging, labeling, and scaling practices to ensure their products are safe, informative, and sold accurately. Proper packaging ensures that products stay fresh and free from contamination, while clear labeling provides important information about ingredients, nutritional values and allergens. Accurate scaling ensures that products are sold at the correct weight or volume, providing transparency and trust to the customers.

When it comes to packaging and labels, there are multiple factors involved. Aesthetics, durability, legislative compliance, food safety and environmental concerns are components of all in-store and FMCG products – from packaging and labelling in the butchery, bakery, and deli, HMR and fresh produce, the fish counter and salad bar, to all departments in the store that carry packaged brands.



<http://polyoakpackaging.co.za/>

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



Image courtesy of August de Richelieu, Pexels

Scales are ubiquitous within a store, from receiving to packaging, in-store at delis and fresh produce counters, right through to till points. With this pervasiveness comes the demand for accuracy, integrated automated systems and smart labelling solutions, as well as an easy-to-use set-up. An agile, integrated scale solution needs to be reliable and accessible. Multi-purpose scales are also coming through as next-generation technology.

Today's consumer has many reasons why the Home Meal Replacement (HMR) and Deli counters are their best friend. Saving time, a welcome respite from meal preparation, and simply having someone else do the hard work are still primary drivers of HMR and deli sales. There are new requirements, however, and consumers are increasingly less willing to compromise on these. Free-range, ethical sourcing, ingredient listings, food safety, and recyclable or recycled packaging have become part and parcel of HMR. This doesn't mean to say comforting, but perhaps not so healthy options, aren't still part of HMR – the selection has expanded, rather than replaced. That being said, consumers are increasingly knowledgeable about nutrition, want to know exactly what they are consuming and expect an offering that is healthy, nutritious, tasty and appealing to the senses.

Helen Maister

Helen Maister



Impalas and Irish coffee

Aki Kalliatakis

aki@leadershiplaunchpad.co.za

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

It was so popular that we often ran out of whiskey.

A really long time ago I landed a job as a restaurant manager at The Zodiac Steak House in Boksburg. The pay was fine, the perks (free meals) were fantastic, and the customers were my kind of people – although to get them to go home at midnight on a Monday was sometimes impossible. Even legendary boxer Gerrie Coetzee was a customer there.

But it was in this job early in my career that I learned one of the most important lessons ever in business and marketing.

At some point in the afternoon or evening, we'd pick a small table of regular customers, and prepare Irish coffees for them – as a free gesture of thanks. Then I'd personally grab a tray, walk the long way round the whole restaurant and arrive with as much noise as possible at the table of regulars. "On the house," I'd tell them – and, of course, they were delighted.



Image courtesy of Fabio Alves, Unsplash

But it was the effect on other customers that made the world of difference. Most of them also shared in the happiness, and we know that even just seeing other people serendipitously getting something nice also makes us feel good too, even though it didn't happen to us. We end up with a feeling that "Hey! Maybe one day I'll also be the recipient."

But the most amazing thing was that the sales of Irish coffees in that restaurant just rocketed on those occasions. In fact, it more than made up for the couple of freebies we arranged.

You see, as human beings we are herd animals. We do what other people do. It's the biggest influencer of whether you have solar panels on your roof, which restaurant you go to regularly, the books or magazines you read, your choice of medical aid, what TV programs you watch, where you go on holiday, which headache pills you use, and what brand of butter you buy. (Hint: If your friends and neighbours do, you will probably also copy them.)

Disrupting things by going it alone takes an immense amount of courage and could be highly risky. We feel excessively awkward and ill at ease doing things that people around us don't do – and vice versa.



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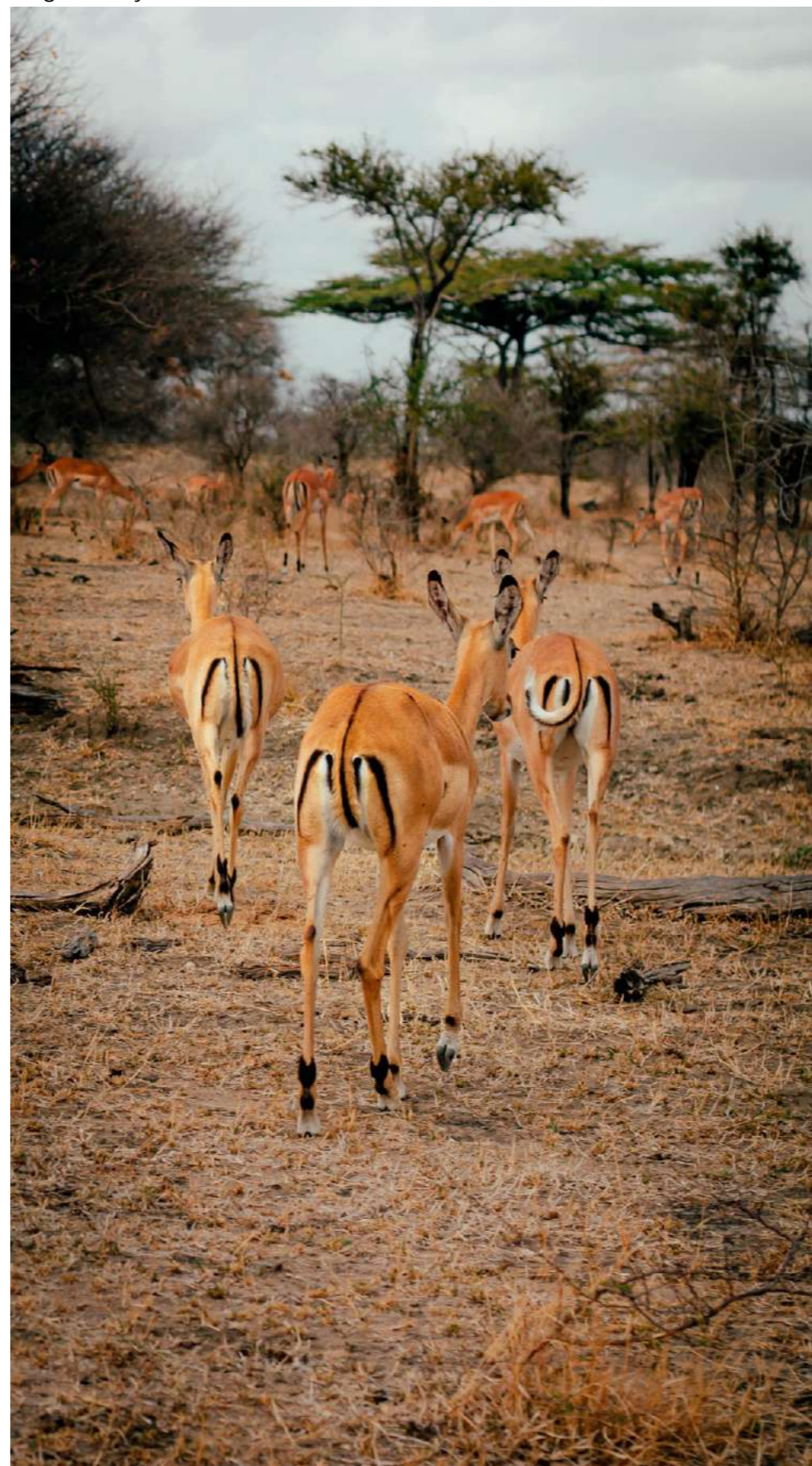
Picture this: You're on a game drive and you see a herd of impalas grazing in the veld. Are they getting the best grass for their investment? Probably not. If one moves away from the herd, that impala may in fact get a lot more – and better quality – which makes perfect sense. Except that in real life that's not true.

“ To go off on your own to the better meal, as an impala you will spend about 20% of your time grazing, and 80% of your time looking out for predators who are eagerly waiting for a lone straggler. ”

But if you stay with your herd, you spend 95% of your time grazing, and around 5% of your time occasionally glancing at the most neurotic and nervous impala, and if he seems calm, you're probably okay, and you can just get on with it. So doing what other people do, and imitating others is instinctively a good idea, because you won't end up with a catastrophe or an expense that you later regret.

But coming back to Irish coffees – I'm often amazed by how businesses seem to avoid doing something that is so easy to organise and relatively cheap to put together. And it makes customers feel rather special too. In one experiment, Guinness Beer in the UK found that just having someone standing and drinking a Guinness at the entrance to a pub inevitably led to increased sales of Guinness. (It was reported that the bar staff hated this because Guinness is such a painfully slow beer to pour!)

Image courtesy of Emmanuel Gidamis, Pexels



So what can you do? Well, it's obvious that when businesses are seen by customers to be generous, it has a very positive effect on their loyalty. So encourage people on your team to do more of these generous gestures – and even get your suppliers involved in sponsoring these 'extras' even as they promote their own brands.

I remember, at one hardware chain one Saturday morning they had a sales rep from an insecticide manufacturer talking for 20 minutes about pest control in your home. The presentation was fascinating, and I learnt so much that added value. At the end of it all she also handed out small samples of insecticide spray, and it's the brand that I've been using ever since.

“ But I think we need to go back one step further and ask a deeper question ... In what ways can we use the power of herd instinct and people's basic instinct to imitate each other to be more successful with our customers? ”

It may not be as difficult as you think, and you can use the purchases in your own life to start off.

Sometimes, we have to just put away our spreadsheets and ignore the finance people, because they often lead us astray.





We become so obsessed with measurable and scientific outcomes that we forget about the importance of psychology. Human beings are not as logical as we'd like them to be, and innovative solutions can make a huge difference. How many times have you been to a drive-through restaurant and they have filled the little packet of chips so much that a few of them fall out and sit at the bottom of the paper bag?

Image courtesy of Cottonbro Studio, Pexels

Apart from the fact that you feel they were so generous, it also gives you an excuse to eat those extra chips without feeling guilty like you are stealing from the family.

We really need to put more of focus on actually creating and designing happiness for our customers – creating a life that they can genuinely enjoy. For me, it is always, always going to be more important than making a few shareholders even wealthier. **SR**



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

SUPERMARKET & RETAILER
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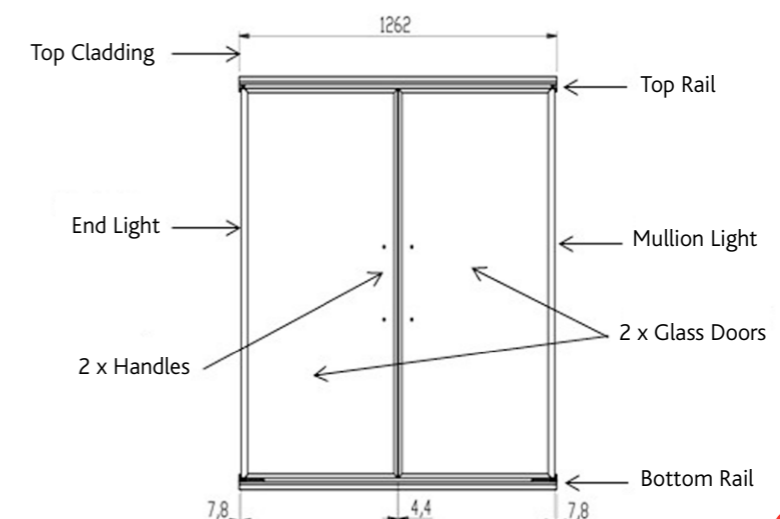
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Infinity / Infinity Integrate Glass Doors

The new Infinity Glass Door is designed with edge-to-edge glass and screen print border. This door offers increased visibility and a more modernised look and feel. Glacier has also launched their new Integrated Glass Door which incorporates a full length profiled handle.

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- Heated Door and Architrave
- Natural 15 micron anodized or black textured powder coating (Coating to SABS standards).

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- Safety toughened 4mm glass inside and outside standard on all doors. (Toughened to SABS standards).
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- Low temperature doors are fitted with a heated front glass and a clear rear glass, both safety toughened.

Normal Temp Doors Aluminium Frames:

- Door and heated Architrave
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- All architraves are fitted with anti-sweat heaters.

Glass

- Safety toughened 4mm glass inside and outside standard on all doors. (Toughened to SABS standards)
- All Glass Doors are Argon Gas filled for superior insulation.
- Normal temperature doors are fitted with Low emission front glass and a clear rear glass, both safety toughened.

Lights (LED)

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

Lights (LED)

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



Packaging, Labels & Scales

Sustainability, technology & legislation drive change

When it comes to packaging and labels, there are multiple factors involved. Aesthetics, durability, legislative compliance, food safety and environmental concerns are components of all in-store and FMCG products – from packaging and labelling in the butchery, bakery, and deli, HMR and fresh produce, the fish counter and salad bar, to all departments in the store that carry packaged brands.

Added to this – which is a very good thing – every FMCG retailer, supplier and manufacturer is in a race to enable consumers to reduce, re-use and recycle, and to decrease the environmental impact of their products.

Meanwhile technological advancements are driving packaging, labelling and associated printing innovations, with retailers, suppliers, and manufacturers experimenting with different options in their bid to find better and more sustainable solutions.

The environmental impact of packaging

The environmental impact of packaging is a massive concern amongst consumers, retailers, suppliers, manufacturers, and producers. The entire packaging supply chain must be involved in order to make a difference. Many companies

www.packagingeurope.com/recycled-and-fresh-fibre



Swedish paperboard manufacturer Holmen Iggesund annually produces 35 million seedlings to regenerate forest on harvested land – the symbiotic relationship between paper recycling and the continual production of fresh fibres.

have pledged to reach Net Zero, while others are being held to increasingly strict national and international standards. According to Tetrapak (www.tetrapak.com), “food packaging can become carbon-neutral by shifting to renewable energy” by reducing its carbon footprint and “creating an end-to-end solution that ensures that the final carbon emissions from packaging is zero.”

Penlington, who is the National Executive for Marketing and Sustainability at Polyoak Packaging (polyoakpackaging.co.za), as well as Chairperson of the South African Plastics Pact.

“Circular economy is about regenerative system design, where materials constantly flow in a loop, rather than being used once, then discarded,” says Penlington. “Our landfill space is also not infinite,

(www.tagww.com). At the same time, it cannot compromise the longevity, shelf-life, hygiene, and display quality of brands and product contents.

Sustainability and a circular economy in the South African context

“Simply put, sustainability is about having enough, for all, forever. We cannot effectively meet the needs of our growing population if we continue to deplete our resources faster than we can replenish them.” So says Michelle



MAKE PVC YOUR FIRST LINE OF DEFENCE

Considering that hospitals rely on PVC (vinyl) to help protect against superbugs and infections – **shouldn't you use it for your packaging too?**

Using vinyl packaging can preserve and conserve food by guaranteeing a longer shelf-life, improving food safety, reducing bacterial proliferation and protecting against external contamination.



Cling Film



Bottles & Labels



Other Packaging

www.savinyls.co.za

Low Carbon: PVC is an intrinsically low-carbon plastic. 57% of its molecular weight is chlorine derived from common salt; 5% is hydrogen; and 38% is carbon.

Recyclable and sustainable: It's extremely durable, cost efficient and it can be recycled several times at the end of its life without losing its essential properties.

so we need to divert waste by recycling whatever we can. For packaging, circularity means building systems and infrastructure that enable us to reuse, refill and recycle our packaging, wherever possible.” Polyoak Packaging believes in using cutting-edge packaging design to meet their sustainability and circular economy beliefs. Their specialist packaging divisions use advanced energy-efficient injection, blow, and compression moulding technologies to provide quality packaging solutions that are also environmentally sound.

For Penlington, retailers and FMCG brands need to take note of sustainability and environmental concerns for one very simple reason. She says, “Receiving consumer complaints about one’s branded packaging wreaking havoc in the environment is every brand owner’s nightmare.” And, she adds, “Of course, not only is moving to more reusable and recyclable packaging the right thing to do, but it is also now mandated in SA’s Extended Producer Responsibility (EPR) legislation. It is in the interest of all packaging industry stakeholders to collaborate to achieve packaging collection, recycling and, where relevant, recycled content targets as obligated by EPR regulations.”

Why use recycled plastic?

Penlington explains, “The ability to include recycled plastic in packaging is especially powerful from a climate change perspective, as recycled polyolefins generally have 70% lower global warming potential than virgin plastic. There is huge potential to increase the use of post-consumer recycled (PCR)

www.packagingeurope.com/rnews/avantium-and-origin-materials



Avantium and Origin Materials are combining their technology platforms to produce FDCA – a key building block in the production of PEF – from sustainable wood residues on an industrial scale, aiming to increase PEF supplies for the production of bottles, films and other packaging applications.

plastic in large packaging formats such as drums and buckets. “Innovative multi-layer technology now makes it possible to include PCR in the middle layer, whilst retaining virgin plastic on the inside and outer layers, which helps to retain critical technical functionality of the packaging.” Recycled plastic, she explains, has some diminished technical functionality, which is critical for packaging meant to contain material such as hazardous chemicals. This is very much a give-and-take relationship. As Penlington points out, the inclusion of PCR in packaging not only helps to reduce carbon emissions, but it also creates a demand for recycled plastic, which helps to drive up the value to waste reclaimers. This motivates the reclaimers to collect more packaging to sell to recyclers.

The role of design in sustainable packaging

It is imperative that brand owners and retailers recognise the impact they can have, as Penlington notes. “

Brand owners and retailers are arguably the most important role-players, with significant influence on packaging circularity, through their choice of packaging materials, formats, and design.

“We need more brand managers and marketers to engage with recyclers and waste reclaimers, to help brand owners develop a practical appreciation for how their packaging choices help or hinder recycling in South Africa. What brands choose for their packaging has a profound impact on the lives of many consumers directly affected by the waste crisis. Now more than ever, the industry needs talented packaging designers capable of developing packaging that is differentiated and fit for purpose, but also optimised for circularity, being widely recycled, reusable, or refillable.”

Penlington hastens to add that we don’t need radical packaging shifts or huge technological advancements to take place in order to achieve these changes. The technology and materials necessary for a circular economy already exist. “Recycling of PET packaging can be significantly improved by avoiding opaque coloured PET and not using PVC or PET labels, or direct print to decorate PET bottles and jars.” For those looking for guidance, she suggests taking note of the recycling best practice guidelines that are readily available from organisations such as Polyco, Petco, and Packaging SA.

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Legislation and the environment shift the label landscape

Labelling saw material shortages, delivery delays, and increased costs over the past two years, thanks to Covid-19. However, developments within the industry have led to faster, more convenient custom printing and integrated systems, while consumer demand and a heightened focus on food safety has permanently changed the way products are labelled. Labels are an intrinsic part of customer satisfaction, trust, and confidence. They must contain the information that customers are required to be given by legislation, and also the information they demand as educated and knowledgeable consumers.

Eye-catching and appealing label design is critical for brand awareness and attracting consumers. Behind the scenes, however, there is a lot more

to consider than just “does it look good?” and “does it convey all the right information?” Globally, FMCG producers, brand owners, and retailers are recognising the need for increased sustainability and environmental responsibility.

The pressure is on, not just from governments and legislators, but from consumers who are increasingly concerned with their own environmental impact and carbon footprint.



www.polyflex.co.za/innovation/

The latest packaging trends



www.avery.com/custom-printing/labels/calculator/rolls

Connected packaging

– Embedded technology enables consumers to access digital content from digital devices using triggers within the packaging. This extends the product experience and enhances experiential shopping, allowing brands to engage with consumers on new and exciting levels (packagingeurope.com)

Flexible packaging – Packaging that is convenient and efficient, lightweight, and which has often reached reduced carbon emissions during production. Sustainable plant-based solutions are expected to gain ground, while e-commerce expands the market for easy-to-pack and easy-to-transport flexible packaging options. Digital printing and next-gen NC (nitrocellulose) inks offer flexibility, customisable design, quick turnaround times, and increased sustainability (https://spnews.com/flexible-packaging/)

Closures – Intriguing designs can help capture consumer attention, but the rise in e-commerce demands increased investment in ensuring food safety and hygiene, too. Light-weighting in order to reduce environmental impacts, as well as costs, but without compromising safety and efficiency, is a key trend in this category (mastip.com).

Captivating the consumer – Immersive storytelling, brand engagement, experiences, and sharing new, interesting, or useful information all forms part of this trend. Packaging and labels, from creative design to cutting-edge technology, are key to achieving this.



www.identitec.co.za

What's trending?

Workforce Connect™



What is it:

Workforce Connect™ is a communication and task management software solution from Zebra Technologies.

The software helps increase efficiency by providing tools to manage tasks, share information, and keep teams connected. It also allows managers to easily track employee performance and get up-to-date visibility into the status of their projects.

Additionally, the software offers advanced security features to ensure confidential data remains safe and secure.

Why retailers need this:

It has been found that 86% of organisations are acknowledging that frontline workers need enhanced technological insight for quicker and better decisions in the moment.

Retailers need Workforce Connect™ to help streamline their in-store operations and ensure that their employees are well-equipped to deliver excellent customer service.

This helps retailers stay organized and efficient and allows them to quickly respond to any changes in customer demands or store operations.

Furthermore, the platform offers powerful communication tools such as group messaging, walkie-talkie functionality, and alerts to ensure that employees stay connected and informed.

How it works:

Workforce Connect™ provides an integrated suite of solutions that enable employees to stay connected with their teams and access the information they need to do their jobs. It features:

- Unified communications system
- Task management system
- Analytics dashboard

The unified communications system provides secure, real-time messaging, voice, and video collaboration. The task management system enables supervisors to assign tasks, monitor progress, and analyse performance. The analytics dashboard provides detailed insights into employee productivity and performance.

Benefits:

- **Increase Productivity:** Workforce Connect™ helps employees stay connected in real time and informed throughout their day, allowing them to quickly respond to tasks that demands instant action, i.e. security alerts, stock availability, customer assistance.
- **Improved Communication:** Workforce Connect™ streamlines communication. All employees within an organisation, managers, team members, and 3rd party service providers, are instantly connected via a secure platform making it possible to execute urgent actions quickly and monitor progress.
- **Automation of Tasks:** By setting up automated tasks, employees can minimise having to leave the shop floor and can therefore focus on ad-hoc requirements and offering customer their best shopping experience, whilst managers can easily track performances and get up-to-date visibility into the status of their projects.



A growing demand for sustainable labelling solutions

Leal Wright, Marketing Manager at Polyflex (www.polyflex.co.za) says, "Flexo printing is the dominant form of packaging printing for the consumer-packaged goods and FMCG market. At seminars in Gauteng, KZN and Western Cape earlier this year, customers and suppliers agreed that sustainability is the predominant trend in consumer goods packaging and, to meet this need, suppliers have to develop innovative options." Wright goes on to explain that the industry is well aware of the fact that the South African economy is in a low growth cycle and consumers are under increasing financial pressure, and yet consumer demand for sustainable packaging continues to grow.

Over 120 delegates attended the 2023 Flexo Frontier Trend Events, which were organised by Polyflex Africa, Fujifilm and Sabre Engineering. It was here that Brett Pollock of Polyflex Africa detailed how recent refinements to a printing process known as limited colour gamut or ECG (Extended Colour Gamut) have resulted in a more sustainable process that also meets the need for cost containment.

Polyflex Operations Manager Stuart Baylis shared the positive results that printers are achieving with ECG. At a recent printing of a wide range of confectionary packaging, savings included 21% on ink and 62% on material. While these savings contribute to offsetting cost increases, a major benefit is improved productivity in terms of 72% reduced set-up time and 91% reduced

washing solvent, all resulting in a 51% reduction in carbon emission.

Don Mac Farlane, Senior Technologist: Technical, Sustainability and Compliance of Foods Division at Woolworths SA, also shared his thoughts on sustainability. Wright says, "In a thought-provoking presentation, Don Mac Farlane outlined the move away from non-recyclable packaging. Over the year, the requirement for improved shelf-life for packaged goods, and the need to transport these goods over long distances, was met with many

complicated laminations. As these constructions were made up of different polymers and additives, they are not easily recyclable. Due to the need for sustainable manufacturing, they are now being successfully replaced with single layer substrates. Non-functional packaging has been removed, and the preferred specification is polypropylene, which is easily recyclable. Boards and paper grades should be FSC (Forestry Stewardship Council) certified, and according to Don, Woolworths aims to source 90% of packaging from local suppliers by 2023."

Design: where aesthetics & functionality meet

Sign & Seal Labels MD, Henk Crous, knows that even for a small family-owned business, sustainability and innovation go hand-in-hand.

While being interviewed about an award-winning label for the Gold Pack Awards Magazine, Sign & Seal Labels Production Manager Enver Pillay said, "Sign & Seal also takes a collaborative approach to label artwork by reviewing what we receive,

advising the designer and customer about best practices, how we can improve on the label's functionality and aesthetics with enhancements and customisations, while at the same time advising them on sustainability principles."

"Accreditation and certification are also important in the label printing sector, for both suppliers and retailers. Henk Crous says the global sustain-

ability drive and growing brand-owner demand for FSC-certified paper-based products encouraged the business to apply for FSC accreditation at the same time as their ISO 9001 certification. "It wasn't difficult to achieve because of the procedural and process frameworks that we already had in place for the ISO quality management system."



<https://www.signseal.co.za/services>



Stand out! Have your household-foil and aluminum pre-packs with your private label





<https://www.teraoka.co.za>

Automated scales and smart labelling solutions

Scales are ubiquitous within a store, from receiving to packaging, in-store at delis and fresh produce counters, right through to till points. With this pervasiveness comes the demand for accuracy, integrated automated systems, and smart labelling solutions, as well as an easy-to-use set-up. An agile, integrated scale solution needs to be reliable and accessible. Multi-purpose scales are also coming through as next-generation technology.

<https://www.signseal.co.za/services>



Latest trends and innovations in labelling

Flexographic (Flexo) printing – Versatile, fast-drying, and can be used with a variety of ink types. It also uses less ink than traditional printing methods, which means reduced printing costs and the need for fewer resources. Recent technological innovations have led to improved quality, and the ability to make use of water-based inks instead of solvent-based inks ensures sustainability targets can be met as well (www.acelli.it).

Digital labels – Much like connected packaging, digital labels enable brands to connect with consumers. This also increases transparency and traceability and can be used to integrate with and improve automation and stock management processes. The incorporations of RFID technology, as well as machine-readable labels - which can be identified by augmented reality (AR) and internet of things (IoT) technology - are also a growing trend within this space (www.labelsandlabeling.com).

Linerless labels – Label liners are responsible for a large portion of the non-recyclable waste from the labelling process that is destined for landfill. Linerless labels are a growing trend and advances in technology and design move forward to meet this need and incorporate it into both the design and automation processes.



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Technological advancements increase efficiency and usher in the all-rounder scale solution

Technology is driving innovation in scales, with multi-purpose equipment giving retailers a host of benefits and optimal value. Some of these innovations include integrated CCTV camera systems for an additional layer of security, waterproof casings, and full reporting capabilities. These next-gen scales are fully integrated into the automated stock management system, and feature Bluetooth, ethernet, and wi-fi functionality.

Able to weigh, pack, and label produce, these scales combine functionality with design quality and proficiency. The addition of batteries negates the potential pitfalls of load shedding, and full-

<https://www.facebook.com/TeraokaSA/>



colour HD touchscreens improve accessibility. Today's scales are also able to connect to smart

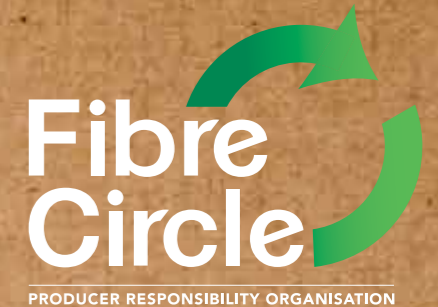
phones, electronic shelf labels (ESL), and InfoTags, for a seamless all-in-one solution.

As the technology develops to meet changing needs, label and scales companies like Teraoka SA are making sure they remain agile and able to tailor their offerings to the market by taking into consideration South Africa's specific retail landscape, diverse consumer and customer needs, and unique challenges.

With the addition of AI software, self-serve contactless weighing and check out, integrated stock management software, and HD screens, consumers are able to have an efficient and fully automated experience. All in all, scales are getting faster, more agile, and more user-friendly.

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Big changes are coming to SA's labelling and advertising regulations

The Department of Health has released a draft of the R2986 Regulations Relating to the Labelling and Advertising of Foodstuffs for comment. These will significantly impact the labelling and packaging of many products. According to an article in The Daily Maverick (Adele Sulcas, 02 February 2023), these changes include:

- Mandatory black-and-white warning-label system for pre-packaged foods that are high in sugar, salt, and unhealthy fats – more than 10g of total sugar per 100g or more than 5g per 100ml, more than 4g of saturated fatty acids per 100g or 3g per 100ml, and more than 400mg of sodium per 100g or 100mg per 100ml.
- Mandatory warning labels for foods and drinks containing any amount of artificial (non-nutritive) sweeteners.



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<https://petco.co.za/national-recycle-week-and-international-coastal-cleanup-day>



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- New marketing restrictions for any product carrying a warning label under the new system, including restrictions on depictions of or referrals to "celebrities, sports stars, cartoon-type characters (or similar). Products may not contain any type of token or gift that appeals to children, and not "abuse positive family values such as portraying any happy, caring family scenario" in order to encourage children to buy or consume them.
- Claims relating to reduction of disease risk, health claims related to 'wholegrain' foods, as well as for oral health, weight reduction and detoxification are also addressed.

- There is a series of prohibited statements – this includes assertions, whether depicted in words, images, or logos, which create the impression that the food has been endorsed, supported, or manufactured in accordance with recommendations by a health practitioner or any professional advisory organisation (certain religious bodies are excluded).

- Endorsements and the use of logos are strictly curtailed, along with words including 'health' or 'healthy', 'wholesome', 'nutritious', 'nutraceutical', 'super-food', 'smart' or 'intelligent'.
- Ingredients must be listed on labels "in descending order of mass present in the end product", i.e. ingredients must be listed from highest to lowest relative weights. In the case of 'mechanically recovered', separated or deboned meat (typically used in processed meats), if the percentage of meat included in a product is less than 25%, the name and description of the end product may not contain the word 'meat'.

- Nutritional tables will be mandatory, unless the product falls under a short list of items such as baking powder, beer, coffee, honey, teas and infusions without added ingredients, vinegars, and 'spray and cook type products'.

The new regulations are in line with World Health Organization and the South African Department of Health has invited public comment until 30 April 2023. The draft regulations on Labelling and Advertising of Foodstuffs were published in the Government Gazette on 31 January 2023. Comments can also be submitted by email to malose.matlala@health.gov.za, or in writing to Director-General of Health, Private Bag X828, Pretoria 0001 for the attention of the Director: Food Control. **SR** Source: The Daily Maverick

Source: petco.co.za/keep-informed/



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



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It's time to expand your brand in the Western Cape



Returning to Cape Town in October, the highly successful Propak Cape trade exhibition provides an excellent opportunity for suppliers of machinery, products and services aimed at the packaging, food processing, plastics, print, labelling and wine & olive oil production industries to connect with thousands of prospective buyers and to expand their brand in the Western Cape.

Taking place at the Cape Town International Conference Centre (CTICC) from 24-26 October, Propak Cape is recognised as the place where buyers and sellers meet. It's where the related industries come together and where new products and services are launched. Attracting a captive audience of almost 6 000 visitors and with over 200 exhibitors, it delivers results for those serious about growing their business.

Propak Cape has been a catalyst for business in the Western Cape for over twenty years. As a major exporter of fruit, wine, vegetables, flowers and other valuable commodities to international markets, the Western Cape is heavily reliant on the packaging industry in realising the country's export potential and the region's all-important stake in earning valuable foreign exchange.



"Over 200 industry suppliers will use this unique platform to showcase latest industry trends and cutting-edge technology, equipment and services," says Mark Anderson, Portfolio Director at Specialised Exhibitions – a division of Montgomery Group, organisers of the show. "Visitors will be on the lookout for the latest automation systems, what's new in machine parts, components and equipment, as well as finding solutions for improved efficiency, cost containment and targeting new market segments," says Anderson.

Partnerships with leading industry associations and media, radio advertising that reaches in excess of one million listeners, print and online advertising and editorial, 400 000+ complimentary





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tickets and an email visitor campaign to over 50 000 recipients are elements of a strong marketing campaign that promotes visitor attendance.

“We use data analytics to ensure we target the right visitor profile,” says Anderson. “Over 86% of visitors have purchasing authority or strongly influence the decision making process, which results in significant onsite sales and lead generation at the show.”

“We encourage those who have not yet booked their exhibition stand to do so,” says Anderson. “Our operations team is ready to deliver a world-class exhibition and our marketing team is ready to deliver the audience you want to meet. It will be an exciting show and beneficial to your business.”



This year marks Specialised Exhibitions 55th year as Southern Africa’s leading trade exhibition organisers. This pedigree and passion for trade shows manifests itself within the dynamic team – a young team who are ably supported by experienced and skilled hands. www.propakcape.co.za/book-your-stand/

Scan the QR code to book your stand



Promoting packaging professionalism

The Institute of Packaging SA (IPSA) is an association of individual packaging professionals whose aim is to promote excellence, pride and skills in the art and science of packaging and to elevate the recognition of packaging as a profession.

In addition to formal education courses these goals are strived for through prestigious award programmes. The Gold Pack Awards, Student Gold Pack Awards and the four-tier skills development programme are key focus areas to achieve these aims for the Institute.

Packaging skills development programmes

The training courses are offered online by the Institute, enabling a wide outreach as a global centre of education. Lecture facilitators are drawn from industry and are highly knowledgeable in their respective fields of packaging and related subjects.

The execution of training through the Zoom platform has quickly gained a high level of respect and confidence from students, who enjoy the fact that they do not need to travel to physical classes to be able to study packaging technology.

Breakout sessions, student polling, student / lecturer chat groups, research-based assignments and online 'timed' examinations have all resulted in a recipe that truly stimulates an online study experience.



The overview to Packaging Technology Short Course (OPT)

The entrance level short course is structured for those who are new to the packaging field and who may have little or no previous knowledge of packaging and, typically, not have had much – if any – technical schooling, packaging background or experience. This course is also aimed at persons interested in this field as a possible vocation such as school leavers or perhaps newly recruited employees and first-time workers.

The OPT course utilises a significant practical training approach during class sessions. At the conclusion of the course the students should have a broad grasp of the technologies of packaging and the materials and processes involved in the industry.

The popular one year study course

The One Year Diploma in Packaging Technology (OYD) is the most well-established of the local courses and is accredited by the World



Packaging Organisation, the IOP: Packaging Society (UK) as well as the Australian Institute of Packaging (AIP). The course is currently conducted 'under licence' by certain African countries through the African Packaging Organisation.

The OYD course addresses the full multi-faceted discipline and science knowledge required by the packaging specialist to understand both the technical and business-related aspects of the industry. The course is applicable to people in a wide variety of positions including sales, marketing, design, technical, production, quality control, R&D, buyers, warehouse managers and logistics managers.

It is popularly attended by retailers, suppliers to the industry, packaging converters and indeed all users of packaging.

Offered annually with a duration of about 10 months the course sets a high standard academically. It includes a practical component, a 'packaging assignment', spread over a six-month period. Potential students, most of whom are working people, should be aware that the course is no 'walkover' academically, and participation needs to be weighed up carefully regarding the student's employment workload. **SR**



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Heavenly HMR...

Innovations in Home Meal Replacement and Deli combine with South African favourites and global influences to provide a blend of the new and the traditional

Today's consumer has many reasons why the Home Meal Replacement (HMR) and Deli counters are their best friend. Saving time, a welcome respite from meal preparation, and simply having someone else do the hard work are still primary drivers of HMR and deli sales.

There are new requirements, however, and consumers are increasingly less willing to compromise on these. Free-range, ethical sourcing, ingredient listings, food safety, and recyclable or recycled packaging have become part and parcel of HMR. This doesn't mean to say comforting but perhaps not so healthy options aren't still part of HMR – the selection has expanded, rather than replaced. That being said, consumers are increasingly knowledgeable about nutrition, want to know exactly what they are consuming, and expect an offering that is healthy, nutritious, tasty, and appealing to the senses.

The global HMR market is expected to rise at a considerable rate between 2023 and 2028, driven by the Covid-19 pandemic, online sales, the development of new innovations in ready-to-eat and ready-to-cook, and rising prices (www.marketwatch.com/).

Retailers and supermarkets are indicated as key factors in this growth, most notably due to the availability of multiple brands, menu options, and pack sizes (finance.yahoo.com/).

...Delicious Deli



Image courtesy of Askar Abayev, Pexels

A challenging local landscape

A highly competitive market makes it challenging to find an advantage and a competitive edge. Quality and value for money are essential, and so is catering to one's target market. Loadshedding is one of the biggest challenges in

South Africa right now, although it also brings in customers who aren't able to or don't want to prepare meals while the power is off.

In the broader picture, there are many challenges in South Africa for retailers to navigate. Rising raw material





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

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Tasty & Delicious

CHICKEN TIKKA

GOLDI, COUNTY FAIR, FESTIVE or MOUNTAIN VALLEY Drumsticks

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

INGREDIENTS

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

Method:

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

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Serves: 4
Preparation time: 30 minutes
Cooking time: 1 hour

GOLDI, COUNTY FAIR, FESTIVE or MOUNTAIN VALLEY Braai Pack

INGREDIENTS

Chicken:

- 1 pack of chicken drumsticks and thighs
- 2 red onions, cut into chunks
- 2 red peppers, sliced
- 250ml mango atchar
- 400ml plain yoghurt
- 1 packet brown onion soup powder
- 20ml chicken spice powder
- 20ml curry powder
- 10ml turmeric powder
- 7.5ml cumin powder
- 150ml chicken stock
- 20ml lemon juice

INGREDIENTS

Spicy papaya salsa:

- ½ large papaya, cubed
- 1 red pepper, finely chopped
- ½ red onion, finely chopped
- 1 chilli, de-seeded and finely chopped
- 2 spring onions, finely sliced
- 1 lemon, juiced and zested
- 30g coriander, chopped

- 4 cups basmati rice, cooked
- fresh coriander



**Great South African Chicken
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Method:

Chicken:

- Preheat the oven to 180°
- Arrange the chicken, onions and peppers in a large baking dish.
- Mix the remaining ingredients together and pour over the chicken. Stir to combine.
- Place in the preheated oven and bake for 45 minutes to one hour.
- Place foil over the tray halfway through the cooking process.

Spicy papaya salsa:

- Combine all the ingredients together and season to taste.

To serve:

- Serve the chicken bake with rice and spicy papaya salsa on the side.
- Top with fresh coriander.



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costs, packaging costs, and fuel and energy costs, as well as supply chain/cold chain issues due to loadshedding and road quality all impact on the running of a store. The extra costs can't all be passed onto the consumer, so stores have to absorb some of it. HMR and Deli has some high margin offerings that help to make these departments profitable, but competition is fierce, and if prices rise too far beyond the market average, you'll lose customers.

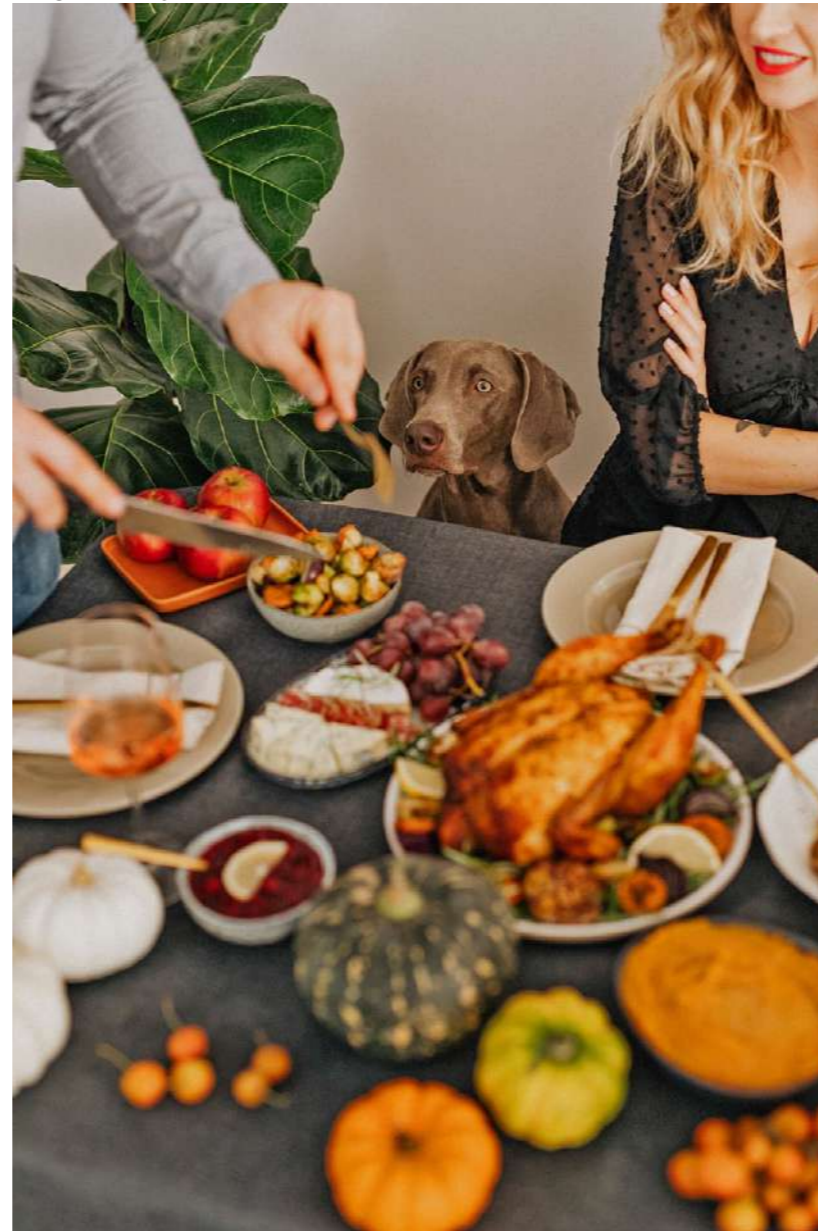
Flexible and agile operations solutions paired with innovative technology and developments in production, packaging, and delivery processes can help mitigate these difficulties to a certain extent, but they also require a financial and R&D investment.



HMR and deli drivers

Convenience remains one of the most significant drivers of HMR and deli sales. Time is at a premium and this is unlikely to change – working parents need to feed themselves and their families, young entrepreneurs with side hustles and an active social life still want to eat well, professionals

Image courtesy of Karolina Grabowska, Pexels



and labourers alike gravitate to the deli come lunchtime, and the SAHM (stay at home mom) needs all the extra time in the day she can claw back by farming out mundane tasks like cooking and food prep.

Online shopping has had a meaningful impact on this market as it removes the need to physically go shopping. Time-constrained consumers can browse during their lunchbreak, make purchases online,

and set a delivery date and time that works for them. In this instance, communication with your consumers is crucial – they can only shop for what they know about. Sharing news of promotions and new product launches with the relevant market is fundamental to your online success. Online shoppers can be reached through a combination of traditional and digital marketing methods – consumers still look at leaflets, especially when they are themed, with attention-grabbing visuals of HMR and deli products, and recipe and serving ideas.



Image courtesy of Angela Roma, Pexels

Product innovations and international trends change the face of HMR and deli, and consequently the drivers become more complex. Many consumers are looking to recreate international dishes or try new cuisines. HMR and deli offerings

provide an easy and hassle-free alternative to spending hours in the kitchen perfecting new skills. Interesting flavour combinations, a good balance of the traditional and the exotic, and new offerings complimenting old favourites are necessary additions to your product range to cater to these demands.

Vegetarian, free-from, plant based. Speciality diets including vegetarian, gluten-, dairy- egg, and sugar-free to name a few are on the rise. The cost of animal-based protein is becoming more prohibitive, resulting in some consumers looking for plant-based alternatives. According to NGO ProVeg South Africa, local support for 'Veganuary' shows the plant-based sector is continuing to grow. More and more restaurants, food manufacturers and grocery stores are offering a bigger range of plant-based alternatives.

According to ProVeg, which is the local NGO partner for Veganuary in South Africa, approximately 38 new plant-based products were released in the country this January, just slightly less than in 2022.

Woolworths recently launched its new PlantLove range, which is a range of vegan products that include an HMR offer. Senior marketing manager at Woolworths South Africa, Daisy Masiangoako, says their partnership with ProVeg creates ongoing

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Photo: ProVeg South Africa



support for customers who want to continue their plant-based journey.

Kauai also took part once again in Veganuary this year, offering several in-store and app specials, encouraging sign-ups through their newsletter, and promoting their 100% plant-based Smart Meals Plant Powered Plan. Manufacturers like Gūdness Plant Based Deli, Infinite Foods, Outcast Foods, Simply Delish, Urban Vegan, OKJA, Red Espresso, Pesto Princess, and On The Green Side launched new and improved products or specials to invite

South Africans to expand their thinking around food. Some of the new product launches around Veganuary 2023 included a range of plant-based ready-meal products from Pick n Pay.

Convenience, health and nutrition

As health consciousness rises, so too does the number of consumers who want convenience foods that are healthy and nutritious.

Value meals are a big business, particularly in the deli. Meals that pack a punch in terms of satiety, nutrition, and taste are a go-to for many consumers. In this case, traditional, local, or comfort foods are best.

Take seasonality into account too in order to lower costs and get creative with vegetables. As the cost of meat rises, consider reducing the amount of meat in your deli dishes, while adding protein-rich





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meat alternatives to bulk up meals. Remember that meat and bone broths are an excellent way to use up leftovers and food prep by-products, they're also tasty and packed with nutrients. Just remember to go easy on the salt and fat and boost flavour using herbs and spices instead.

Eating as an experience

Experiential purchasing is a growing trend, and HMR and the deli lend themselves perfectly to an all-round sensory experience.

Creating a memorable brand experience is key to retaining customers as HMR and deli continue to grow, and this means inspiring, delicious displays and quality, freshness, and satisfaction every

time. This highly competitive space

demands innovation, a fresh approach, and a keen understanding of consumer behaviour.

Merchandising and displays build HMR appeal

Story selling, creating, and meeting demand, and building a brand name are easy to achieve with the right packaging and labels, but this can be enhanced, or occasionally even created using innovative displays and clever merchandising.

Consumers know what they want, but they can also be encouraged to try new products and make impulse purchases. Understanding your target market is key for the success of these strategies, which may include 'market-style' displays, customer seating or dining areas within the store, creative cross-promotions, and strategic product

placement. In-store demonstrations and tasting tables have returned post-Covid, although with stricter health and hygiene protocols for the most part. This remains a popular way to encourage consumers to consider new products and drive impulse sales by adding smell and taste to the visual, or even including an interactive aspect of the buying experience. From new recipes and cooking tips to informational talks and tastings, food pairings, and competitions, the way consumers interact with food and engage in in shopper behaviour is evolving.

Innovations and trends in HMR

From extending the shelf-life of food offerings to product development, new flavours, and tempting

displays, HMR and deli offerings are fertile ground for innovation, experimentation, and new product launches. While consumers demand convenience and expect quality, they also crave a strange mix of the comforting and familiar, but also the new and exotic.

They also want easier to use products with a longer shelf-life, better bake stability, faster cook times, and more flavour. Exciting taste experiences and dishes showcasing international cuisines, such as Dr. Oetker's Nice'nEasy Indian, are in as much demand as the Classic and Italian ranges from the same brand. Classic pizzas with traditional toppings remain

unassailable, with Dr. Oetker's Ital Pizza range including classic, minis, pizzinis, snack slices, pizetta, and family offerings. However more adventurous toppings, such as spareribs, peppers, and aubergine with hummus boast an equally loyal customer base.

Sustainable packaging

Safe, sustainable packaging is a serious consideration for a growing number of consumers. With the rise of online shopping, packaging that meets those criteria and which is also easy to transport is a must. Consumers also want to feel confident that the food they are about to heat and eat, or defrost and cook, won't be contaminated by packaging that is not fit for purpose. Packaging



that is better for the environment, leak-proof, maintains the integrity of the food contents and is aesthetically pleasing is the gold standard here.

At-home entertaining

HMR for upscaled dining experiences offers ease and convenience paired with sophisticated flavours and quality dishes. Consumers who have the budget and the desire for top-tier at-home dining, but don't have the time to do it all themselves and, for whatever reason, won't consider hiring a private chef or caterer, require an HMR solution that is elegant, tasty, and of the highest quality. It may be a niche market, but it is one that is important to cater for correctly in certain stores. This is also an option for regular HMR consumers looking for something special or celebratory.

Global influences on the local HMR and deli market

Food for health and wellness. Weight loss, fitness, and special diets are big factors in many HMR subscription services. Shakes are also popular, primarily amongst gym-going consumers and weightwatchers, but increasingly for the sick, elderly, and those unable to stomach solid food for whatever reason, too. These influences have filtered through to HMR.

Clean deli. Consumers are beginning to scrutinise their food purchases more closely. They want to



Seaweed. While it's unlikely this international trend will make its way ashore in SA too quickly, seaweed is a sustainable source of protein that's packed with nutrients and is surprisingly versatile.

Spices. There's a global rise in spicy foods, with consumers interested in both heat and flavour.



Image courtesy of Jhoon, Pexels

HMR and deli: a positive future outlook

Today's consumer is more health conscious, environmentally aware, and knowledgeable than ever before.

They want organic, plant-based, vegan, vegetarian, locally produced, or nutritious food with added health benefits. They want their HMR products to be tasty, but not too high in fat or salt or sugar, and they want their deli foods to be top quality but also cost-efficient.

While many consumers are willing to pay for what they want, even more are struggling to make ends meet and will base their buying decisions on cost above anything else. This makes finding a good balance somewhat challenging, and requires agility, creativity, and a good understanding of their consumer profiles. **SR**

know where it came from, how it was produced, what was added to it, and what it contains. Deli meats in particular are expected to be 'clean'; no dangerous preservatives, no unethical processes, and no routine antibiotics.

Climatarian diet. Much like the flexitarian diet, this way of eating is better for the planet. In this instance, the focus is on seasonal, local produce that is grown in locations that suit that particular foodstuff and which don't put undue strain on the environment.



Image courtesy of Foodie Factor, Pexels



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

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Insulated Structures
Efficiency At Work

Effective solutions to reduce the cost of in-store refrigeration

Polyurethane Injected Panels

- Standard panels: Outer and inner skin of frost white Chromodek, also available in black finish.
- Polyurethane injected panels for superior insulation and adhesion.
- High-impact PVC interlock profiles on all edges provides totally sealed insulation and a perfect vapour barrier.
- Tongue and Groove panel options available.
- Easily erected.
- Optional skin finish in Stainless Steel – Grades AISI 304 AIS 403.

Cold & Freezer Rooms



Floors – Fabricated and Concrete

Fabricated Floors

- The inside floor finish is 1.5mm Aluminium tread plate glued and screwed to a marine ply base.
- Galvanised plate options available in lieu of the Aluminium Chequer Plate finish.

Concrete Floor

- Concrete floors are used for flush or step-up entry and in permanent structures. Usually a recess of 150–170mm is used to accommodate the foam slab insulation and the concrete screed.



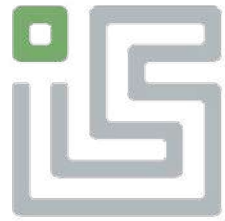
Meat Rails

- Hot Dipped Galvanised system.
- Support structure integrated into insulated panels.
- Optional free-standing continuous galvanised system with bends and switch gear.

Aluminium Chequer Plate

- Installed as an option to protect panels from scratches and light impact damage.
- 1.5mm and 2.0mm thick options.
- Standard height 1 250mm AFFL.





Insulated Structures
Efficiency At Work



Up to 40%
Energy Saving



New or Retrofit
Existing cases

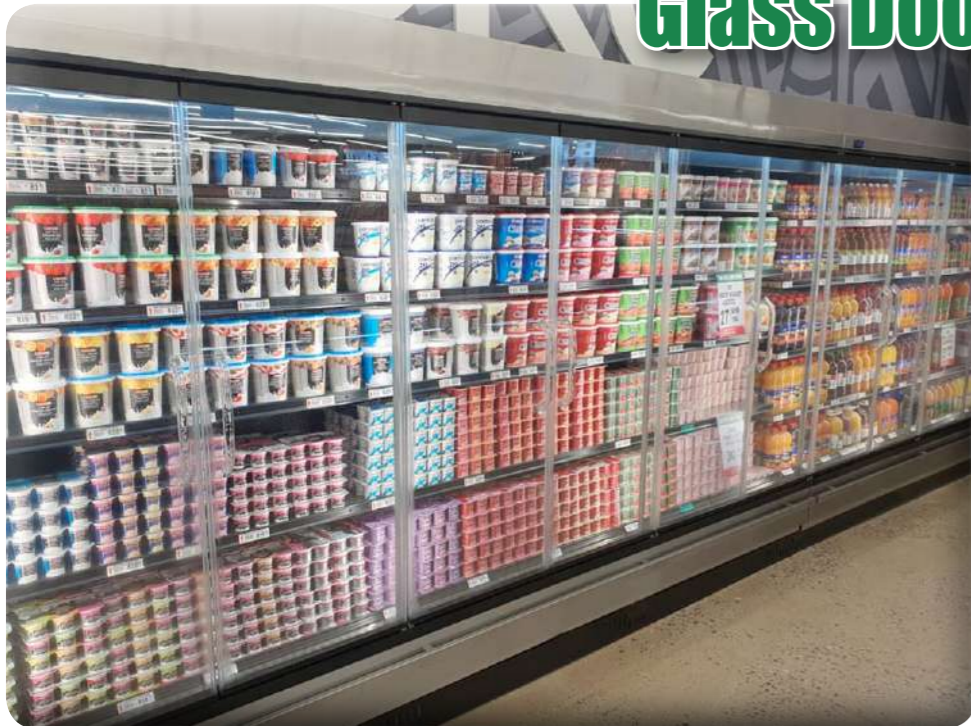


Environment
Respect

Benefits of Airshield Glass Doors

- Reduce Energy consumption.
- Extend Product shelf life.
- Double Glazed Argon filled void for better insulation.
- Optimal Product temperature.
- Glass doors have an option of Mullion lights. Quoted separate.
- Handles included.
- Up to 40% energy saving.
- Solution for new cabinets or retrofitted on existing cabinets.
- Doors are spring loaded.
- Less cold air spillage – warmer aisles.

Airshield Glass Doors



Ways to save

With energy cost rising and food retailers looking to improve the shopping experience environment for customers, Insulated Structures has developed an effective solution to reduce the cost of in-store refrigeration while enhancing the customer experience.

Insulated Structures doors are easy to retrofit on in-store cabinets to reduce the energy required to keep chilled foods at the correct temperature.

Meanwhile, customers are able to clearly see and access the products on offer. Reduced energy requirements means smaller refrigeration plant selection for new stores. These savings will off-set the initial cost of the doors. Up to 40% reduction in refrigeration requirement has been achieved.



Standard Airshield Glass Doors with a Black Frame.
Heated Hybrid also available in this design.
Heated Hybrid Glass Doors are fitted with a heater to reduce condensation on the doors in Coastal areas.
Heated Hybrid is fitted with soft closers.

Premium Airshield Glass Doors.
Frameless Door with Argon Gas filled for better insulation.



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Spain and Portugal

A model called Mercadona

Cost optimisation, operational efficiency, technology, low prices, and a clear image of reliability projected on three pillars – customers, suppliers, and employees ... these are the parts of the Iberian formula to face the future in mass distribution.



The logo is simple, a stylised basket replete with drinks, fruit and vegetables.

'Supermercados de confianza', meaning 'reliable supermarkets' is the official slogan of the brand, which encapsulates the comprehensive set of values that Mercadona aspires to safeguard with determination and a farsighted strategic vision.

Its business model is inspired by very focused attention on customers, employees and suppliers, equally balanced within a relationship of reliability, that has now proved capable of making it stand out throughout the entire Iberian peninsula.

The Total Quality model

In Spain, Mercadona has a market share of 15.5%.

This has been achieved by the implementation of a 'Total Quality' model, first started in 1993. Many international companies employ this model, but Mercadona shines by its focused attention to detail. The model is divided into eight aspects ...



The Mercadona sign stands out on the external facade of this shop, with a modern and particularly expressive architecture.

- customer orientation
- leadership
- staff involvement
- processes
- systemic approach by management
- perpetual improvement through listening to customers and innovation
- decisions made on the basis of analysis of 'factual data'
- mutual relationship benefits with suppliers.



Left: When the first exclusive products from Mercadona Portugal arrived in Spain they were a complete success.
Right: Mercadona gluten-free products.

PETIT FORESTIER,

REFRIGERATED RENTAL SPECIALIST

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**DISCOVER
OUR OFFERS**



The model guides Mercadona towards achievement of the various corporate components starting with

- The '**Boss**' which refers to the customer
- The '**Employee**' who collaborates in the company's commercial successes
- The '**Supplier**' who is key in the supply chain
- The '**Society**' which holds them together, and
- The '**Capital**' which supports them financially.

All of these aspects are given the same attention to detail and not one of the components supersedes any of the others. Starting from the headquarters at Tavernes Blanques in Valencia, the model and its component parts are implemented throughout the chain, be in Spain or Portugal.



The Mercadona sign stands out on the external facade of one of the many stores.

History and the future

Mercadona appeared on the market in 1977 as a small chain of grocery stores. The current owner, Juan Roig, took it over from his parents in

1981 when the network only consisted of eight units.

Today, the company has 1 633 outlets (between Spain and Portugal), employing 95 800 people (93 000 in Spain and 2 800 in Portugal) serving approximately 5.6 million families who shop daily using the various channels available. Mercadona generated in 2021 (despite a critical situation), another 800 stable and quality jobs.



Well trained personnel ensure that personalised service is available at all times.

The most recently introduced technological and management innovation was the Direct Product Profit tool, one that updated the mechanism for calculating the costs of all the processes involved in business. A team made up of experts in various fields of corporate activity (sales and operations, logistics, new store development, information technology and finance) gave input to the DPP.

After two years of work and an investment of approximately €5 million, the application now allows sales and planning managers to obtain very precise information on the processes and position of at least 8 000 SKU's. It is thus possible to check – immediately, in a complete overview – the price, taxes and transport costs. Those who work with the product only have to search or scan the article to obtain the information and, consequently, carry out the necessary automated simulations, leading to cost optimisation.

Among the results achieved, the most striking and satisfying ones were ...

- In **Logistics**, the increase in the number of packages per trip in the process of transporting cut carrots and rocket, which led to savings of €400 000.
- In the **Ready to Eat** department, the implementation of the new 'self-service' processes, aimed at cutting queues waiting for the order, optimising processing times and increasing collections which, in the same section, resulted in a saving of €4 million.



The 'Spanish ham' is part of an important culinary tradition. An essential component is the specialist assigned to 'boning' the leg of pork, usually in plain sight of customers.

- In the sale of **fresh orange juice**, the reduction of maintenance times (30 minutes a day), has made it possible to save €5 million.

Just these three examples represented almost €10 million euros in savings – equal to approximately double the investment allocated to the entire project.

The savings generated by this ongoing programme do not just go to the company's bottom line. In 2021, €375 million was redistributed to all employees who had been employed for over a year.

The 'Efficient Store'

In 2016, Mercadona started a new inspiring project called the 'Efficient Stores', which was officially started with the Valencia and Granada stores and implemented in 1 183 branches by the end of 2021. This project aims to offer customers better quality service and a complete purchasing experience.

The 'Efficient Stores' have cutting-edge technologies in place, capable of analysing the operations carried out by the workforce, making use of



Horno is a dedicated self-service area within the bakery layout. The impressive impact of the display is reinforced by the hygienic covers for self-service customers.

modern services, tools and devices to optimise (in real time) the flow of all the complicated information that needs to be managed.

This project also intended to embrace the themes of 'environmental sustainability', 'awareness and critical consumption', and 'highest quality food propositions with the least impact'. Basically, it addresses all the consumer questions regarding sustainability of our community, our land and our planet.

Through the development of the Efficient Store, Mercadona continues to generate energy savings (up to 40% compared to a conventional store), mainly through the use of LED lighting and covers/doors for its refrigeration.

1993, in addition to the introduction of the 'Total Quality Model', saw the launch of the SPB (Siempre Precios Bajos – Always Low Prices). Without following the model of the new discounters entering the market, Mercadona promoted the concept of quality merchandise available at excellent low prices, while also focusing its attention on waste reduction.



This impromptu photo of a visibly satisfied customer browsing the frozen food aisle illustrates the customer satisfaction levels of the chain.



The dramatisation of the 'fish market' counter, important in the Iberian areas, is displayed on white and blue colours; the uniform of the assistant on duty is stylised with greys, greens and black colours.

The most recent results

At the end of 2021 (a very complex year), Mercadona sold a total of 12 827 million kilos of merchandise (285 million kilos more than the previous year), achieved a turnover of €27,819 million, recorded a net profit of €680 million (down 6%) with a pre-tax profit of €837 million (9% less than the previous year).

It is evident that this brand, active in both Spain and Portugal, by following clear and inspiring criteria of loyal partnership with suppliers, gratified by the commitment of its workforce and modernisation of the overall service for the benefit of customers (the true regulators of each process), is not afraid of giving up portions of profitability, if this means a consequent increase in volumes and strengthening of the image of reliability, both internally and externally.



Spanish gastronomy requires a wide range of fresh produce and the Mercadona stores deliver on variety and quality to cover any meal requirement.



Fresh produce is packed at DCs in sturdy crates to minimise the handling at store level – from DC, to refrigerated truck, to store cold room, to store display area.



Trolleys made of light material ensure an 'easy-to-manoeuvre' customer experience.

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In-store stock & margin control



Enterprise

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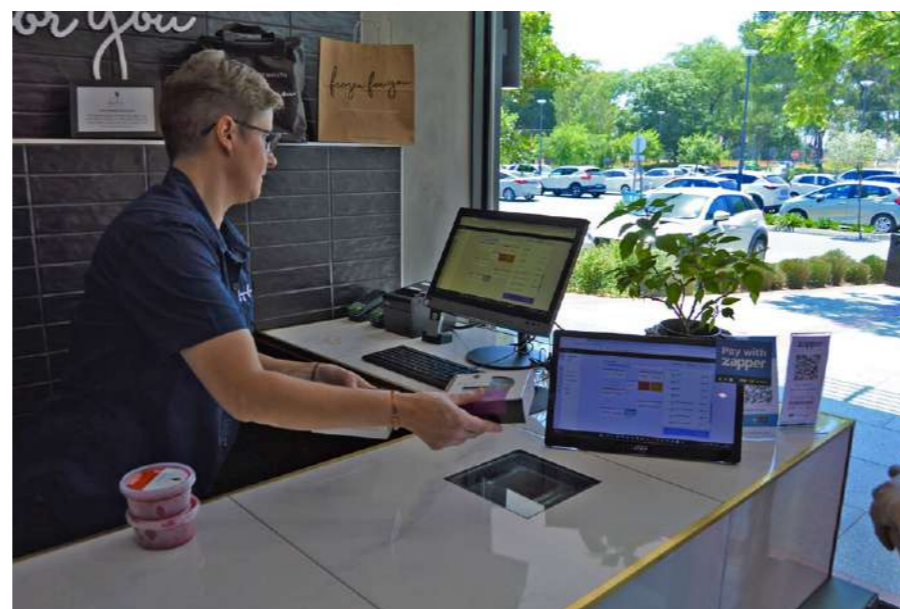
Jaime van Aswegen
Staff writer
Supermarket & Retailer

Having grown up in a family of cooks, ready-made meals were always frowned upon. However our busy lives and socio-economic issues have made it difficult to prepare consistent lunches and dinners. I think I may have the perfect solution for singles, couples and families.

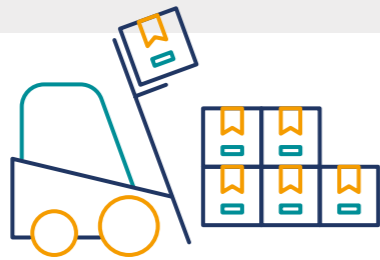
I recently found a dedicated retail outlet located in the Neighbourhood Centre in Linksfield and this store truly brings a new meaning to frozen ready-made-meals

Frozen For You is a family-owned company that launched in 2018. This company has a long history in the food industry, with the founder Karen Short having started By Word of Mouth catering in 1993. By Word of Mouth has grown into one of the best catering companies in the country and has been voted Best Caterer in Jo'burg for 21 years in a row.

The first store was opened in Dainfern Square in March 2018 and the group has grown exponentially to fifteen retail stores. Frozen For You also offers online ordering and same day home delivery for added convenience in Gauteng, KwaZulu-Natal and the Western Cape. Holding an extensive catering history, the Frozen For You team understand the importance of health and hygiene.



Warehouse
Stock
replenishment
& inventory
management



BS10R Sepia II Ring Scanner MT90 Orca Pro Mobile Computer N7 Cachalot Pro Mobile Computer



Store
Price checking
& info kiosks

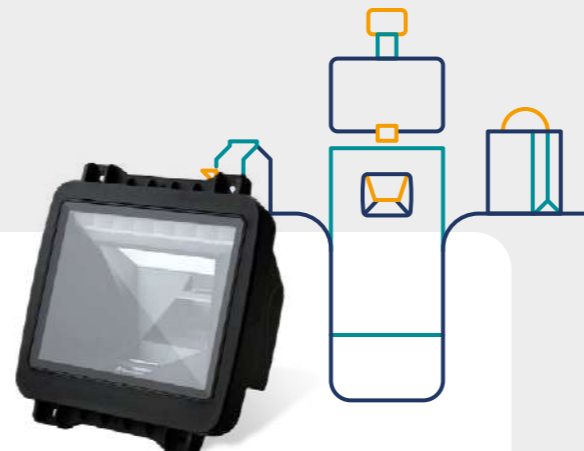
NQquire 350 Skate 4.3" NQquire 750 Stingray 7" NQquire 1000 Manta II 10.1" Micro Kiosks

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Store
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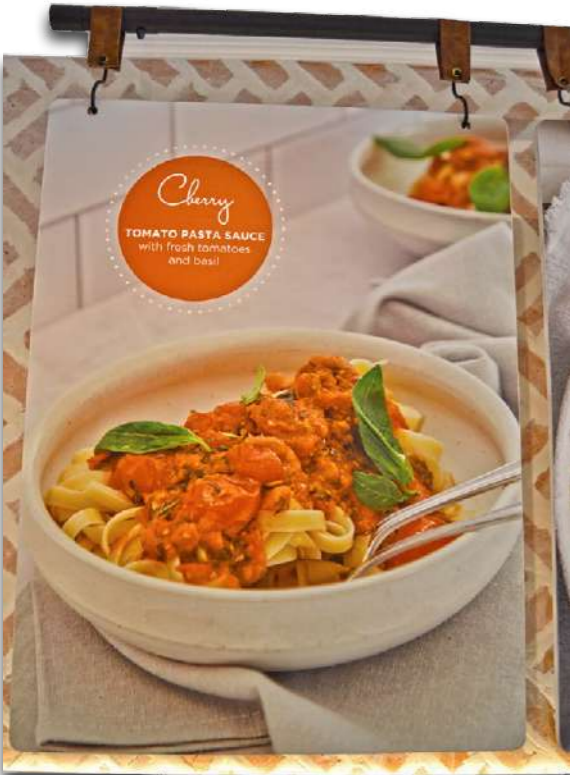


STOREWATCH: Frozen for You

This ensures their products are never compromised in the delivery process.

The Frozen For You menu offers consumers perfect portion-controlled meals across many different food range groups, including various meat and vegetarian options available in 1-, 2- and 4-portion sizes. These meals are perfect for gifting to sick or bereaved family members as well as providing meals to a new mom who isn't yet capable of cooking meals for the family. Discovery Health members can enjoy up to 25% back in rewards when purchasing meals through the HealthyDining option.

I highly recommend taking a moment to browse through their many mouth-watering meals and purchasing a few for those days when convenience is needed the most.





BY WORD OF MOUTH
frozen for you



Top trend pushing the demand for lactose-free cheese worldwide

Say cheese to the Lactose-free Cheese 2.0, 2023 will be the year for exotic variants, fresh flavours for this market surging retail sales worldwide.

Increasing demand for plant-based food products

Nutritional and health claims are considered novel ways of endorsing a particular food's beneficial qualities. Manufacturers' claims, such as lactose-free, vegan, fat-free, gluten-free, non-GMO, and kosher, positively impact consumer purchasing decisions when comparing products from different brands.

Although many of the products that carry such claims have traditionally been devoid of animal products, plant-based claims have surged 68% globally over the last five years as companies exhibited an opportunity to tap into the growing demand, according to FMI. These factors are anticipated to fuel the global lactose-free cheese market in the assessment period.

The global lactose-free cheese market size is expected to reach a valuation of US\$ 676.3 Mn by the end of 2022. The market is set to accelerate at a CAGR of 8.4% during 2022–2032. It is anticipated to be valued at US\$ 1 515.1 Mn in 2032.

Lactose-free dairy can provide those who cannot digest lactose with essential nutrients found in traditional dairy products, such as vitamins and calcium. Consumers are moving towards this product category because of its broad and expanding health appeal.



<https://www.facebook.com/VarietyofCheese/>

Quality and variety of lactose-free dairy products have improved dramatically in recent years, allowing consumers to select from a wider range of choices. As a result, lactose-free cheese has become the dairy industry's fastest-growing segment.

Lactose-free cheese eaters have found that veganism is a healthy and essential option.

According to a customer survey by FMI, 40% of customers bought plant-based products because they believed they were healthier, 30% as they wanted to try them, and 25% because someone in their home has lactose intolerance. Plant-based alternatives thus account for a smaller share of the lactose-free cheese market than the product.

Source: www.yourallergycheffs.com/tag/food-allergies/



How is the rising demand for plant-based cheese driving the U.S.?

“ Lactose-free cheese brands in the U.S. are targeting consumers suffering from allergies ”

People with allergies or intolerances, such as lactose intolerance, were the main target consumers for U.S.-based firms twenty years ago. The flavour of plant-based dairy replacements was distinct, and expectations were low.

Plant-based foods have expanded into new uses, such as yogurt and cheese, as the allergen-free market has grown rapidly, and product flavour & quality have considerably improved. People in the U.S. are aware that plant protein has a lesser environmental impact than animal protein, which has become a major motivation.

In North American countries like the U.S., health and wellness are a vital part of a person's life, especially among millennials. People suffering from allergies are set to continue to support the plant-

based sector, which would push the U.S. lactose-free cheese market in the next decade.

Why is lactose-free cheese showcasing exponential demand in the U.K.?

“ High demand for clean label products in the U.K. to spur sales of cheese without lactose ”

The stratospheric rise of plant-based alternatives is a third area where lactose-free cheese is positioned to serve as a key ingredient, a major food industry trend in the U.K. today. Over the next few years, the lactose-free cheese market is expected to grow at a higher rate than the dairy cheese industry across the U.K. Plant-based choices, clean labeling and more sustainable supply chains that come with them are set to exhibit high demand.

Image courtesy of Ilya Mashkov, Unsplash



In addition, lactose-free cheese tastes just as good on a veggie burger as it would on beef or turkey burgers. Rising incorporation of cheese into numerous fast food products and unique

recipes to gain healthy plant-based proteins and components is projected to drive the U.K. lactose-free cheese market in the evaluation period.

Why is there a rising demand for lactose-free dairy products in China?

“ Dairy-free cheese to gain traction in China with increasing cases of lactose intolerance ”

According to DSM, a science-based firm focusing on nutrition, health, and sustainable living, a country like China has at least 40% more lactose intolerance sufferers than a European country. Lactose digestion is hampered in 90–100 percent of East Asian and 80 percent of Central Asian adults.

This is due to human civilisations' historical reliance on dairy as a significant source of nutrition. Adults in Europe can consume milk because their forefathers lived in places where dairying flourished, thereby passing down gene variants that keep lactase active into adulthood. In some parts of the world, such as China, dairy production has historically been more challenging, and people have lost their capacity to digest milk after childhood.

Dairy consumption continues to climb in China, even though most of the population is lactose intolerant. Besides, the increasing geriatric population and growing awareness about health & wellness in the country are projected to boost the lactose-free cheese market in the next decade.

Which is the leading distribution channel for selling lactose-free cheese?

“ Consumers prefer purchasing gluten and dairy free cheese from online retailers ”

Based on the distribution channel, the online retailers sub-segment under the B2C segment is projected to dominate the global lactose-free cheese market by 2032. Expansion of the e-commerce sector with increasing penetration of the internet and growing use of smartphones is likely to push sales of lactose-free cheese in the upcoming decade. Online retailers provide access to a wide range of products on the same platform and offer hassle-free home delivery services to consumers. These advantages of online shopping are projected to drive the lactose-free cheese market worldwide.

Competitive landscape

As lactose-free products are gaining immense popularity these days across the globe, there is a growing trend among consumers to try out new products. Today's consumers no longer confine themselves to traditional three meals a day, but they are likely to try out unique products which are emerging in the lactose-free cheese market.

Snacking trend is tremendously popular in developed countries across North America, including the U.S., especially among the millennial population. Hence, vegan snacking menus are likely to lift up sales of vegan cheese over the forecast period, thereby pushing the lactose-free cheese

market. Key players are also conducting research & development activities to come up with novel products. For instance ...

- In January 2022, Bel Group, a France-based dairy company, launched its first-ever vegan version of the best-selling signature Babybel wax mini cheeses across the U.K. with a green jacket. It is made with coconut oil and various Vegan Society-approved ingredients.



- In August 2021, Good Culture, a renowned food brand, introduced a new range of products, including squeezable sour cream pouches and its first lactose-free line. These products are made of pasture-raised milk, which is sourced directly from small family farms in the Midwest and feature active & live animals.

Source: Good Culture_GoSupps.com



General Mills, Arla Foods, Daiya Foods Inc. Top three lactose-free cheese brands that will satisfy your craving

General Mills, Inc. is an American company that produces and markets branded consumer goods for sale in retail establishments. The company's 'accelerate' strategy directs how it builds brands, innovates nonstop, scales up, and stands up for what's right in the world. A few of its well-known trademarks in its portfolio are Cheerios, Nature Valley, Blue Buffalo, Häagen-Dazs, Old El Paso, Pillsbury, Betty Crocker, Yoplait, Annie's, Wanchai Ferry, Yoki, and others.

Source: General Mills_Cinnamon Toast Crunch



In March 2022, with the introduction of Cinnamon Toast Crunch Creamy Cinnamon Spread, B&G Foods is providing consumers its first chance to spread, swirl, and drizzle the flavour of their favourite cereal over just about everything. Similarly, in May 2022, General Mills disclosed that it will pay Eagle Family Foods Group

US\$ 610 Million for the operations of Hamburger Helper and Suddenly Salad. The closing of this deal is anticipated for later this year.

Arla Foods a.m.b.a, on the other hand, is a Danish-Swedish multinational cooperative with headquarters in Viby, Denmark. It is the biggest dairy firm in the U.K., as well as the largest producer of dairy products in Scandinavia. The Swedish dairy cooperative Arla and the Danish dairy business MD Foods merged on April 17, 2000, to create Arla Foods. According to milk volume, Arla Foods is the fourth-largest dairy firm in the world and seventh in terms of revenue.



Source: BBC_Lactose-free cheese

In October 2019, a cheese producing facility in Bahrain received an estimated €50 million (US\$ 55 million) investment from Arla Foods.

By 2025, Arla hopes to grow the yearly production in Bahrain under its Puck, Arla, Dano, Kraft, and Private Label brands to more than 100 000 tons.

Similarly, in 2022, Arla created the *Don't Cancel the Cow*

advertising campaign, alleging that the increasing vegetarianism among young people is the reason the dairy industry's future is questionable.

Through this campaign, the company is focusing on millennials as they are more aware about the effects that cows' milk has on the environment.

Daiya Foods Inc. is a dairy-alternative food manufacturer established in Burnaby, British Columbia, Canada. The first products from Daiya are cheese substitutes manufactured from tapioca flour and coconut oil that have a consistency and melting quality similar to cheese. The company ensures that its products are not made from any dairy, soy, wheat, barley, gluten, or nuts.

In January 2022, to cater to the growing demand for plant-based meals, Daiya Foods announced a new sales and distribution cooperation with Hyundai Green Food. Similarly, in April 2020, Daiya announced the launch of a large number of delicious new products with the intention of pleasing both people and the world. **SR**

These insights are based on a report on Lactose-free Cheese Market by Future Market Insights.

“ Arla created the Don't Cancel the Cow advertising campaign, alleging that the increasing vegetarianism among young people is the reason the dairy industry's future is questionable. ”



3 Key themes will define retail going forward

At the 2023 NRF Big Show in NYC, everybody was talking about the three themes that will define retail over the next few years

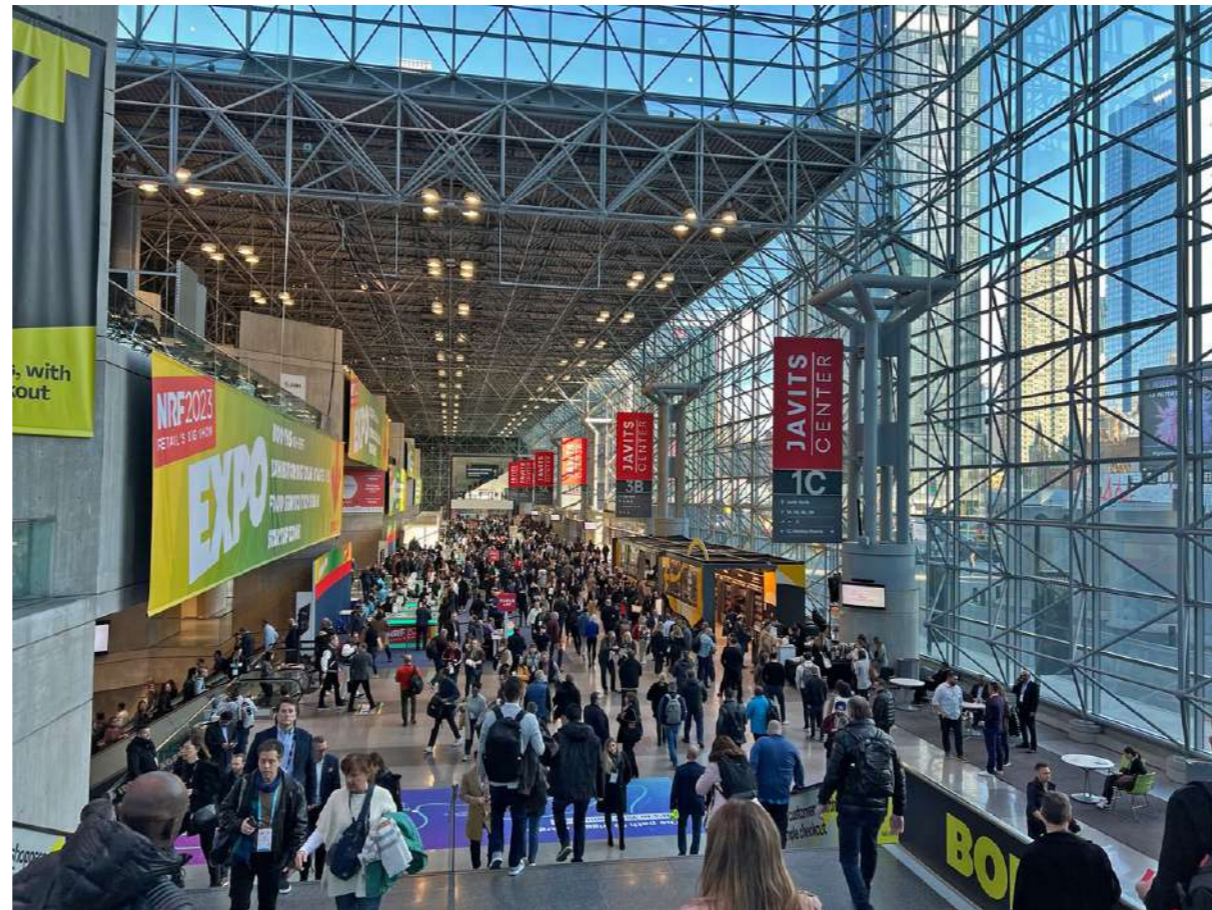
The NRF (National Retail Foundation) Annual Convention and Show is held in New York City, and is widely recognised as the place where the global retail industry goes to hear the latest thinking and view the latest retail technology solutions. As an exhibitor, I was well placed to speak to a huge range of people, and I kept on hearing these three themes coming through what retailers are talking about:

Retail media networks

Retail media networks are the outcome of retail's massive move online. In many ways, they are the online version of the in-store promotions, specials and cap-end displays we are so familiar with. Now, instead of leveraging the visibility the store can offer, brands are taking advantage of the traffic on the retailer's website to engage with consumers.

Advertising can appear on the retailer's home page, category pages, the search page and even checkout page. It tends to work well because the consumer is already 'hot' – he or she is on the site looking to buy, after all.

For retailers, this is an opportunity to get a foothold in the massive advertising market; it's worth \$758.8 billion currently and is expected to reach US \$1 trillion by 2026. Although it's a relatively new area, brands spent \$31 billion in



2021, with spending expected to exceed US \$52 billion by this year.

This income has been a lifesaver for many retailers, hard hit by COVID and now growing inflation and recession fears. In time, this extra revenue could make them more resilient and fund innovation.

One could argue that this extra revenue stream is helping retailers contain price rises, thus helping consumers too.

Automation and hyper-personalisation

Automation is playing an ever greater role in further streamlining an already slick value chain. Robots stocking shelves in store and picking orders in warehouses, smart cameras monitoring shelf stocking, even drones being used for local delivery – all of these are already happening and we will see more of it.

The name of the game is reducing delivery time and delivery costs at

the same time – retail engagements are being driven by rising customer expectations combined with soaring fuel costs.

Essentially, we are talking here about the growing role of technology in retail. Artificial Intelligence (AI) is another technology already making a big impact in retail. AI is making demand forecasting much quicker and more accurate, but it's also transforming the purchasing experience, essentially by making push marketing increasingly





Overall cart abandonment constitutes an US\$18 billion loss to retailers annually. AI will also be used to refine customer relationship management technologies, specifically to improve responses to customer churn.

An important strategic use of AI will be to improve the overall customer experience, especially across online and offline channels. Brick-and-mortar shops all have online presences but there is a trend for online retailers like Amazon to

sophisticated. It can respond to search requests with intelligent suggestions to prompt purchases but it can also develop expert knowledge of individual customers because to shop online one needs to log in.

For example, I tend to buy aftershave once every four months – now the system could prompt me when the time for the next purchase is coming round. Building on that, it will increasingly be possible to predict when, what and how much of a certain product or brand consumers will purchase – and they will come to expect it.

This capability will become more important as cookies are phased out, at least in the developed world.

AI's multiple uses in retail will include analysing how to reduce the high rate (70%) of cart abandonment, which is a shade under 70%, with over 80% of mobile shoppers abandoning their carts.

open shops. It's vital that the customer experience is consistent across both channels, and AI can facilitate getting this difficult balancing act right. It will also pave the way for "concierge shopping", where an online shopper is conducted round a store by somebody who knows what they like and want to see.

Sustainability and social impact

ESG (environmental, social and governance) issues have traditionally been seen as an investor issue, but they are now becoming a consumer one too. This is particularly true for younger consumers, and given that the majority of Africans are already Generation Z, African retailers should be alive to the need to communicate their ESG credentials to their consumers.

A key point here is that this information needs to be very accessible – a bulky Integrated report

is not suitable. Q-HOP is already building an ESG index into its app so that users have a ready way of distinguishing between brands.

In conclusion, retail is experiencing a golden age of innovation, perhaps in part driven by a hostile environment characterised by high inflation, fears of a global recession and a margin squeeze. Retailers will have to innovate intelligently or face extinction – and I believe that African retailers are dangerously behind the curve.

Amazon is coming! SR



Ajay Lalu, co-founder and director of Consumption Information Real Time (CIRT) and Q-HOP.



Ajay Lalu is a serial entrepreneur who has founded several successful companies including the Black Lite Group. He has showcased CIRT's innovative solutions at the world's largest IoT Conference, IoT Solutions World Congress – Barcelona, 2019. He is a guest lecturer at the Gordon School of Business (GIBS) on digital innovation and strategy. Ajay is greatly involved in initiatives aimed at developing SMMEs and tech start-ups.



Ged Nooy
South Africa MD



CPG categories remain central to 2023 consumer spending intentions

40% of South African consumers say they are in a worse financial position this year compared to a year ago

- 43% of surveyed consumers already feel like they are living in a recession.
- 74% say that increased costs of living are to blame for their recent financial struggles.
- 48% mention they only have enough money for food, shelter, and the basics.
- 32% have turned to online to get better deals, save on gas and minimise shopping trips.

According to NielsenIQ 41% of South Africans feel they are in a worse financial position compared to a year ago although this is fairly in line with the global average of 40%. Of those respondents, 74% are increasingly burdened by the high cost of living while 42% say they have been impacted by the economic slow down and 32% say they have faced huge changes adapting to ongoing pandemic disruptions.

These findings are part of the latest NielsenIQ Thought Leadership Report on 'Consumer Outlook 2023', that provides a deep dive into the mindset and sentiment of consumers around the world. What it has found is that volatility in everything from prices to weather events has created unsettled consumers who having just lived through recent inflation highs, and not knowing when to



“Volatility in everything from prices to weather events has created unsettled consumers who having just lived through recent inflation highs, and not knowing when to brace for the next set of extreme circumstances, are displaying a cautiousness that is likely to linger for some time.”

Image:
Consumer Outlook
February 2023

brace for the next set of extreme circumstances, are displaying a cautiousness that is likely to linger for some time.

The report also highlights specifically for South Africa:

- 37% of consumers are expecting the economic downturn to last for 12 months or more, with 26% claiming they only have enough money for food, shelter, and the basics.

- Consumers' biggest concern over the next six months is the increase in food prices (51%), as well as concerns over job security (20%).
- Transport costs is amongst the top category that consumers plan to spend more on (29%) in 2023 compared to the previous year, and interestingly, even with the additional burdens on family spending, consumers are still planning to spend as much on Groceries and household items in 2023 as before (48%).



- High inflation and by effect higher product prices, have pushed consumers towards Discounters (49%), chasing Promotions (36%) and buying in bulk (50%) while 56% are super keen to take advantage of Loyalty schemes.
- 32% have also turned to online shopping to get better deals, save on petrol and minimise trips to stores.
- Consumers plan to spend less on most discretionary spending categories, where out-of-home dining (23%), out-of-home entertainment (32%) and clothing (36%) are leading areas where they are planning to trim their wallet allocation.

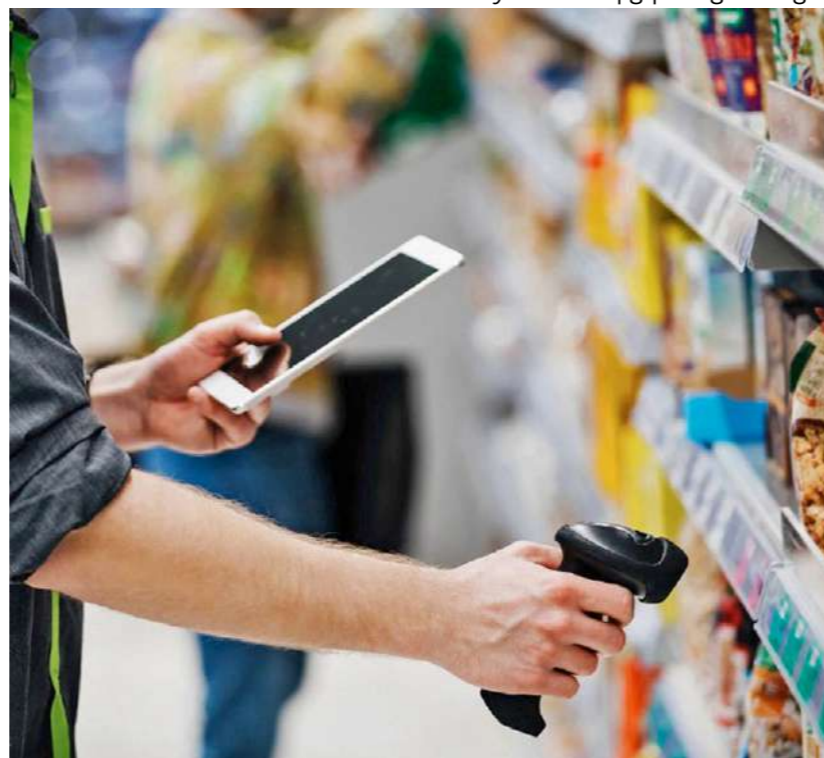
What is setting the spending tone for 2023?

Overall, financial concerns and job security have risen to the forefront. At the same time, mental and physical wellness are deemed equally important on the global scale.

“A mix of financial and health-focused priorities”, clarifies Lauren Fernandez, Global Director, NIQ Thought Leadership. “We can’t forget that within this trifecta of priorities, our financial wellness is often what feeds our ability to service and nurture mental and physical health. As a result, the financial focus of today’s consumer outlook comes to the forefront”, comments Fernandes.

A look at the consumer wallet for the year ahead, shows that South African consumers will shift spending towards maintaining contributions

nielseniq.com/global/en/insights/analysis/2022/cpg-pricing-strategies



to future-focused mainstays, such as financial services (50%) and paying off debt (35%), while also increasing their spending on groceries and household items (33%) and contributing more to education for themselves or their families (23%).

“42% of those surveyed mention that financial health and job security are on par with mental and physical wellness (40%) as the leading areas of greater importance, while equally important is the fact that 25% state that they are planning to spend more on Health/Wellness products in 2023,”

comments Ged Nooy, NielsenIQ Managing Director in South Africa. **SR**

Click here to read more on this topic: <https://nielseniq.com/global/en/insights/analysis/2023/consumer-outlook-2023-the-unsettled-state-of-global-consumers/>

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