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**Retail automation: The key
to continued growth**

Store design ...

**Designing spaces
to reflect your
store's brand**

Supply chain: Farm to fork

**Ensuring top quality
fresh products**

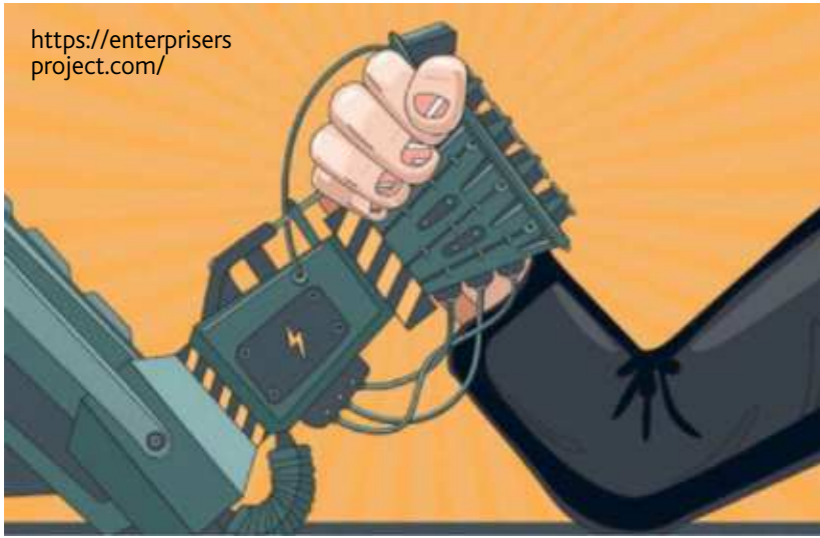
Confectionery & Chocolate

**Irresistible sweetness
... indulgent comfort
food loved by all**

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FEATURES

Retail automation's key growth

Growth is the common thread that runs through the four current major retail automation trends in South African retail, whether it's the surge in e-commerce, advances in artificial intelligence (AI), the growth in loyalty programmes, or the explosion in delivery services since Covid.



<https://progressivegrocer.com/>

Store design: reflecting your store's brand

If a store is intended to be a standout space, it needs to reflect that in everything – from interior design to stock, product displays, and customer care. Good design can bolster your reputation, bad design can damage it.

Contents



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Farm to fork

Fresh food sales are skyrocketing globally as the appetite for healthy eating and living continues to soar. Studies are finding that consumers are not only placing a high value on healthy foods, but are willing to pay for them. With fresh produce departments on such a high growth trajectory, retailers can't afford to ignore fresh as it is the way to win consumers in an increasingly crowded market.



Irresistible sweetness

Chocolates & confectionery, an indulgent comfort food loved by young and old, from all walks of life. From traditional favourites to new artisan innovations, this is an exciting growing market, built through sustainable practices, new trends and health-conscious options. It makes South Africa a paradise for every sweet tooth out there.

Photo: 123RF, www.nzherald.co.nz/



COLUMNS

Delight your customers

Close the menu on regret and risk. Aki Kalliatakis talks about 'buyer's remorse', the uncertainty coming from second-guessing ourselves and wondering if this is something that we will be disappointed about later.



<https://turkey.redblueguide.com/>

STOREWATCH

A success story between Asia and Europe

Migros Türkiye's intention is to ensure a better future for its clientele, in line with a 'customer-centric approach', aimed at launching healthy and sustainable products, and characterised by top quality service and modern initiatives.

NEWS

TransUnion consumer survey

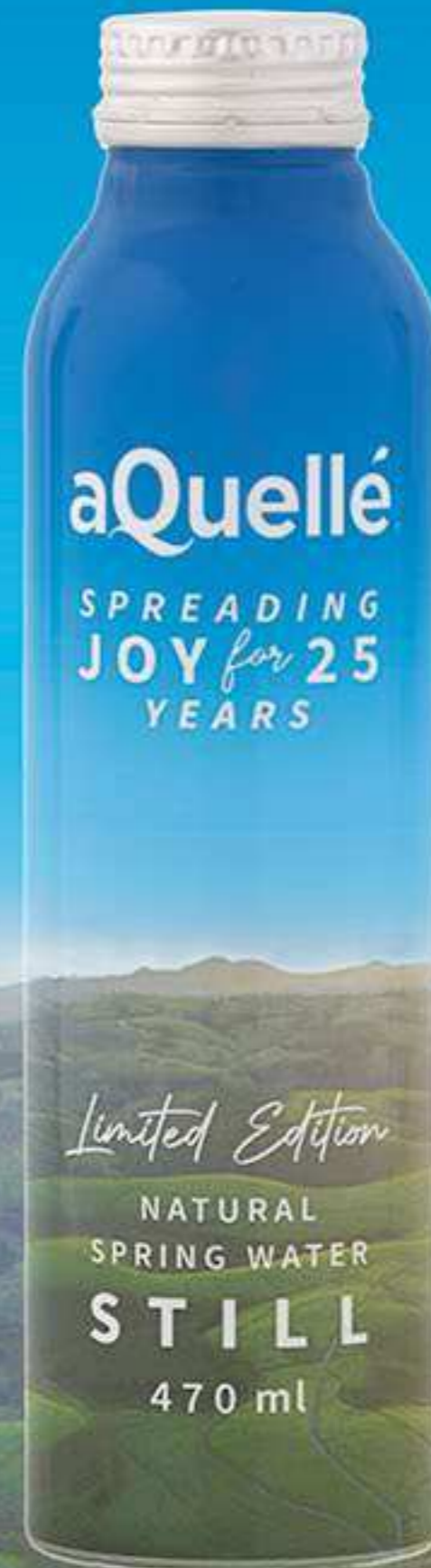
Consumer spending and home loan demand led South Africa's credit market growth in Q1 2024.



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aQuellé.



aQuellé's Journey

Celebrating 25 Years of Joy



As aQuellé commemorates its 25th anniversary it marks a significant milestone, acknowledging twenty-five years of refreshing households across Mzansi. This year, aQuellé celebrates with a distinct Limited Edition aluminium bottle.

Gratitude in Every Drop

The specially designed aluminium bottle highlights the natural purity of their spring water source. Not merely a container, but a symbol of appreciation for everyone who has been part of their journey. This Limited Edition bottle signifies more than a celebration, it's a commitment to spreading joy.

Celebrating 25 Years

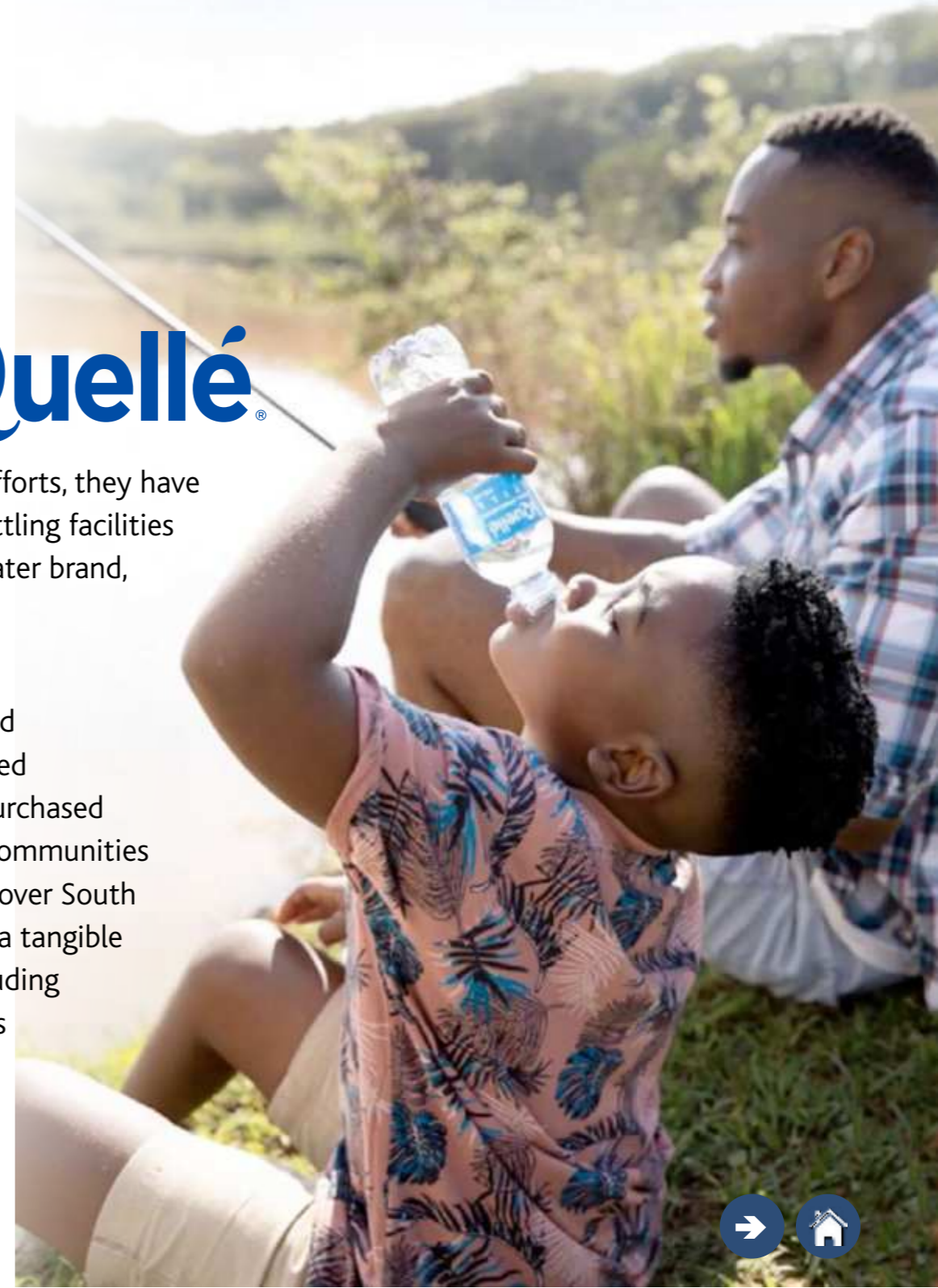
aQuellé's journey began in a modest 360m² space. Through dedicated efforts, they have achieved substantial success, presently managing three cutting-edge bottling facilities totalling over 50,000m². aQuellé has grown to be South Africa's no. 1 water brand, thanks to God's wondrous grace and Mzansi's incredible support.

Giving Back

aQuellé's dedication to communities and sustainability shines through their Limited Edition aluminium bottle. Each bottle purchased contributes to water security in needy communities and will see 25 water tanks installed all over South Africa. aQuellé is committed to making a tangible difference where it is needed most, including various community upliftment programs such as "Together let's beat Diabetes" and "aQuellé Khula Clean ups" around the country.

aQuellé gives God all the glory for reaching the milestone of their 25th anniversary. They consider His grace to have carried them through all these years, constantly inspiring them to continue their mission of spreading joy and refreshment to South Africans.

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Helen Maister

I couldn't resist using that headline. It's funny, witty, and, let's be honest, has a touch of Glamour magazine flair – minus the "50 Ways to Leave Your Lover" advice, of course.

Speaking of GNU, we're talking about the Government of National Unity, not some trendy new diet.

Let's hope the politicians – the real kids in the yard – stop pulling each other's hair and start playing fair. After all, there's enough sunshine for everyone if they'd just stop jostling for their place in it.

Unlike Glamour, we won't be discussing "50 Ways to Leave Your Lover." Instead, this issue is filled with researched facts and insights to support your retail business. While we may not have beauty tips, we do have plenty of strategies to make your business shine. But now a look into our jampacked issue ...

Designing spaces to reflect your store's brand

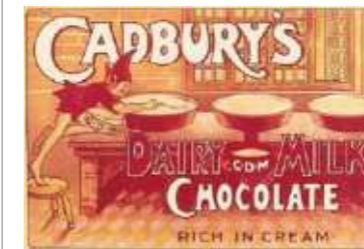
A good balance of creativity and functionality shapes and inspires the shopping experience. Great store design manages the flow of the shopper and directs them on a journey through the aisles; it engages them and excites them. Regardless of floor space and footprint, a well-designed store is a space where shoppers feel comfortable, confident, and catered to.

Retail automation – The key to continued growth

Automation. It's a word that crops up whenever we discuss progress in South African retail. It's also a word that encompasses a plethora of different systems and processes which, together, work to deliver a standout beneficial impetus: growth. Growth is the common thread that runs through the four current major retail automation trends in South African retail, whether it's the surge in e-commerce, advances in artificial intelligence (AI), the growth in loyalty programmes, or the explosion in delivery services since Covid.

Farm to Fork

Fresh food sales are skyrocketing globally as the appetite for healthy eating and living continues to soar. More and more research studies are finding that consumers are not only placing a high value on healthy foods but are willing to pay for them. Already in 2015, an AC Nielsen report found that with sales growth in fresh produce departments on such a high growth trajectory, retailers can't afford to ignore fresh. More so, retailers have for years been advised that fresh is the way to win consumers in an increasingly crowded market.



Irresistible Sweetness

Wherever you may find yourself, you will find some hearty sweetness, in a large supermarket chain, a small corner spaza shop or even a hawker outside a taxi rank. Indulge in the delectable world of South African sweetness, where you get nothing but the best to nibble on, where each bite is a symphony of comfort and goodness.

Helen Maister

Helen Maister



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Close the menu on regret and risk

How behavioural economics and 'being human' affects your business.

By Aki Kalliatakis

Making choices is sometimes really hard for us. It takes less than a second to move from uncertainty and possible regret, to relief. How does such a huge change in your emotions occur in an instant?

Imagine this: you're celebrating a special event with your friends in a beautiful restaurant, charmingly decorated, and your favourite music playing on the speakers. The place is crowded with happy people, and you all have a big menu describing the most exquisite foods in front of you. There are at least four things you'd love to eat, and you think to yourself, "Boy, this is going to be hard to choose from." You look to see what other people are enjoying but they don't give you any clues.

You're still uncertain, and you don't want to risk ordering something that you might regret.

After a short while you finally make up your mind, deliberately close the menu, and wait until it's your turn to order. Suddenly, you're a lot more relaxed, and you can start enjoying everything around you.

Why?

There are a few behavioural science issues at play here. One of them is that people don't feel comfortable with too many choices. They feel overwhelmed and anxious, and offering more choices actually increases customer dissatisfaction.

Part of this anxiety comes from the fact that one of the biggest drivers of human behaviour is also risk aversion. (Some studies claim that up to 90% of our decisions are based on just this one emotion.)

We don't want to make a choice that we will later regret. In retail we call this 'buyer's remorse'. That's the uncertainty resulting from second-guessing ourselves and wondering if this is something that we will be disappointed about later. Our minds get caught up in a swirl of, "What ifs ..." – especially, "What if I don't like it?" – and we question our choice. It happens before we make the decision, and it often continues after we have done so.



world of instant gratification, delivering within 60 minutes is a no-brainer.

One of my favourite examples comes from a company in the US that sells mattresses online – Casper. They deliver the mattress to your house and offer to take it back three months later if you don't like it. Zappos does the same with shoes: you can order a few pairs and send back what you don't like.

Image: www.freepik.com/



What about you? You're probably already doing it a little when you allow companies to promote their food products in your store by giving customers free samples. Can you extend that to other items too?

Whatever you decide to do, it's important to **help them feel happy and excited** about what they have just ordered, and to not be distracted by all the choices that they made or didn't make.

The second psychological characteristic that plays a role is that **we are herd animals**, and we look to others to see what they are doing. If that information is not available, we are forced to make other decision choices. That is why we look to others to help us choose. You can also manage that to a degree by sharing information about what others have selected. If we continue with the restaurant example, many menus have a 'Most Popular' page right at the front of the menu.

But there's also a third behavioural science factor at play here. At some point, **once we have selected** from all the choices and the decision

Some other 'what if...' questions they may ask also include ...

- "Will I be sorry that I didn't choose the other one?"
- "Have I just splurged a little bit too much on this?"
- "Why don't I just order what I had last time, because I really enjoyed that?"

This can be relatively easily fixed when a business confirms to the customer that they made the right choice and shows them what great value they have just received.

Some businesses go so far as to reassure customers by giving them a money-back guarantee. In other cases a business allows a customer to try something out first before they buy. "Free delivery for orders over R400" is another way to help them realise that they made a good choice. And in the



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So while they are in your store, your customers are busy making choices all of the time, but the act of physically walking to the tills (or pressing the 'Complete My Purchase' on the app) is the same as them closing the menu. As they walk up to the register, what are you doing to help them feel comfortable with that?

I have to admit that I haven't really seen much of that happening in the places where I shop. It's rather ironic because walking into a store is usually a positive and welcoming experience, but nothing usually happens at the end with the exception of a mechanical or obligatory muttered, "Thank you."

Do yourself a favour. If nothing else, every day, walk around your store and randomly look at

anything in your customer's basket. Point to it and just say two words: "Good choice."

“ It not only gives them choice closure, avoiding the inevitable buyer's remorse, but it also has the benefit of making them feel good that you acknowledged their impeccable taste. ”

SR

is made, **we feel relief and want to move on.** The physical act of closing the menu helps us move away from that. It's done now, and it's time to go forward. It won't surprise you to hear that psychologists call this 'choice closure'.



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

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Who are we?

A trusted source of retail information for over 65 years, our magazine informs and empowers retail business owners to grow whilst tackling current industry topics.

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We connect FMCG brands, and Equipment and Service suppliers to retail decision makers around South Africa. Elevate your brand with our wide variety of digital offerings.



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5 REASONS TO INSTALL CASHINFINITY™ POINT OF SALE RECYCLING SOLUTIONS



By Guy Lerner

Retail automation

The key to continued growth

Automation. It's a word that crops up whenever we discuss progress in South African retail. It's also a word that encompasses a plethora of different systems and processes which, together, work to deliver a standout beneficial impetus: growth.

Growth is the common thread that runs through the four current major retail automation trends in South African retail, whether it's the surge in e-commerce, advances in artificial intelligence (AI), the growth in loyalty programmes, or the explosion in delivery services since Covid.

Just look at the statistics. According to a World Wide Worx report, South Africa's e-commerce sector peaked at a record-setting R71 billion in sales in 2023, 29% higher than 2022. So fast has been the growth that online sales now represent 6% of the total South African retail sector.

With as many as 63% of South African shoppers willing to share their personal data with retailers in exchange for more personalised service, expect retailers to increasingly adopt advanced technologies such as AI, machine learning, and robotics to streamline their operations and enhance inventory management, customer service, and personalised marketing.

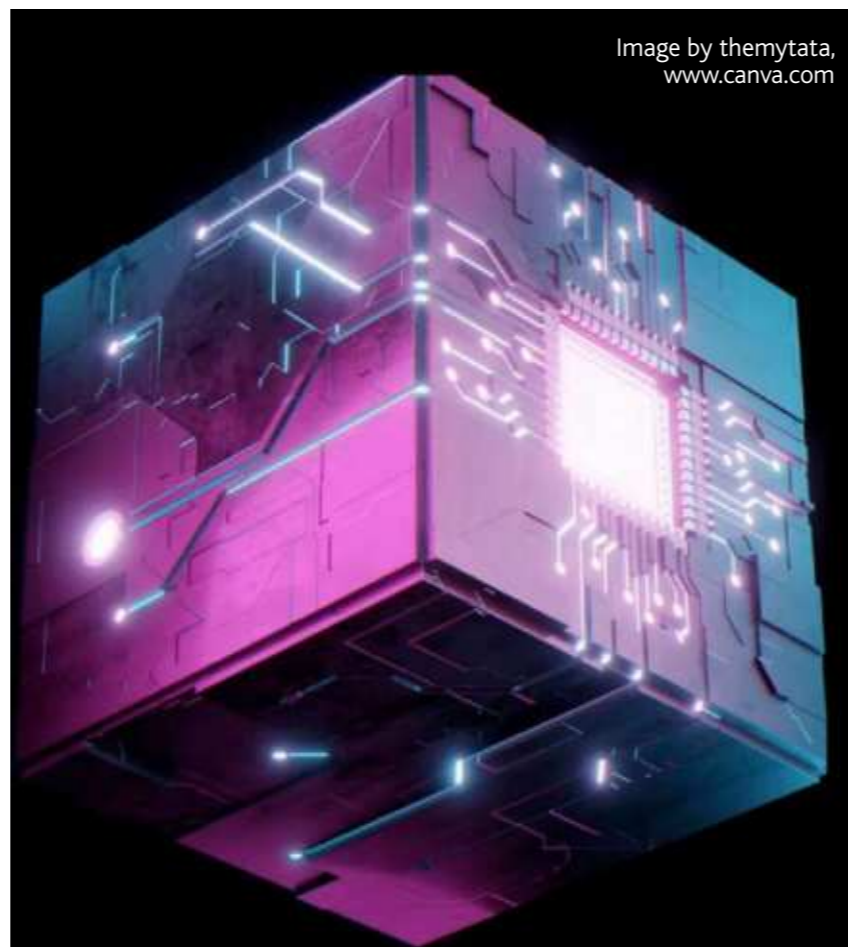


Image by themytata,
www.canva.com

What is machine learning?

ML or machine learning enables computers to learn from data to make decisions or predictions without being explicitly programmed to do so. ML uses AI to learn – it's a branch of artificial intelligence – and uses statistical models to draw inferences from patterns in data. Machine learning is used most effectively in demand forecasting, inventory optimisation, promotion and pricing, waste reduction, and shelf management. Machine learning is how a computer system develops its intelligence.

Those same customers are, on the whole, also subscribing to loyalty programmes for similar reasons. The latest Truth & BrandMapp Loyalty White Paper, published in 2022, shows that 73% of South Africans use loyalty programmes consistently, and on average they subscribe to more than nine each.

Finally, we can't ignore the steep growth in home delivery services, boosted initially by the Covid lockdowns, and then taking on a life of their own once the advantages to both retailers and shoppers were made clear. According to Statista, delivery service penetration is expected to hit 7.8% this year, growing to more than 10% by 2029. This represents an annual growth rate of 11.27%, resulting in a projected market volume of more than R26 billion.



Laurian Venter

Laurian Venter, Sales Director at OneDayOnly.co.za, was recently quoted as saying that if retailers don't conform to the way their customers prefer to shop, they will be left behind by consumers who choose to spend their money with those that do. This makes it imperative that retailers embrace and invest in the automation systems, technologies and processes that will help them deliver the services their customers want.





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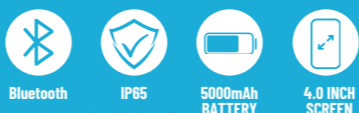
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Digital transformation

Digital transformation is crucial to retail automation in South Africa as it enables the integration of the previously mentioned advanced technologies (AI, machine learning, and robotics). It supports e-commerce growth, data-driven decision-making, and personalised marketing, all of which are essential for competitiveness and efficiency in the evolving retail landscape.



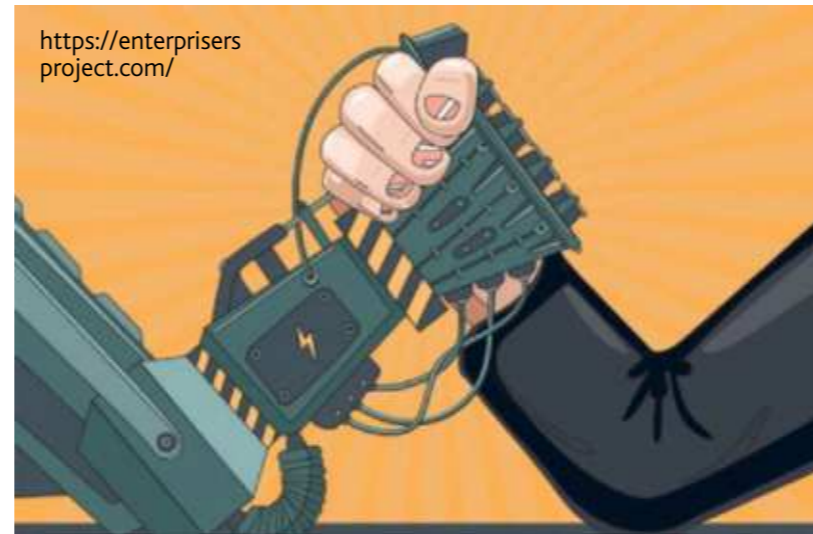
Mark Templemore-Walters

Mark Templemore-Walters, Operations Director at Cash Connect, says that digital transformation touches almost every part of the retail supply chain, from warehousing and logistics to the financial back office and the customer experience.

“Cloud-based platforms and connected devices such as RFID tags and smart shelves enable retailers to automate areas such as inventory management and customer service,” says Templemore-Walters. “At the same time, AI and machine learning are personalising customer experiences, improving inventory management, and enhancing demand forecasting. Robotic process automation is also being widely adopted to manage repetitive tasks such as data entry, order processing, and customer service interactions.”

Other retail automation initiatives include self-checkout stations and mobile payment solutions that speed up the checkout process, reducing wait times and improving customer satisfaction.

Major retailers such as Pick n Pay and Checkers have experimented with self-service kiosks and mobile payment options to streamline the shopping experience, although the widespread use of these technologies has yet to catch on.



<https://enterpriseproject.com/>

What is Robotic Process Automation?

RPA or robotic process automation uses software 'robots' or bots to automate repetitive high-volume manual tasks. It can be used for calculations, filling in forms, collecting data from your website, processing payroll, processing orders on e-commerce sites, processing invoices and handling customer queries, and that's just the tip of the iceberg. RPA reduces human error, improves efficiency, improves customer service and streamlines operations.

Rise of the machines

AI plays a crucial role in retail automation by enhancing various operational aspects and customer interactions.

For example, it enables personalised marketing by analysing customer data to deliver tailored

recommendations and targeted advertisements, increasing engagement and sales.

At the front desk, AI-driven chatbots and virtual assistants help improve customer service by providing instant responses to enquiries, reducing the need for human intervention. In the back office, AI optimises inventory management through predictive analytics, ensuring that stock levels are maintained efficiently and reducing instances of overstock or stockouts.

Image by themytata, www.canva.com



AI also supports dynamic pricing strategies, adjusting prices in real time based on demand, competition, and other market factors.

“AI features and tools are becoming common in software that retailers already use, for instance e-commerce platforms such as Shopify and customer relationship management systems such as Salesforce,” says Templemore-Walters.

“We are seeing even small and medium retailers starting to use AI for applications such as personalised recommendations, 24/7 online sales and

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The integration can even enhance omni-channel experiences like Buy Online, Pickup In Store (BOPIS) and Click and Collect, making them more seamless and convenient for customers.

Trusted Supplier

NEC XON offers transformative retailer and customer shopping experiences. It provides digital solutions that improve operational performance and retail experiences. Moreover, the use of insightful analytics from ESLs empowers retailers to make informed decisions about shelf-edge and back-office strategies. This data-driven approach improves overall store management, boosts sales by ensuring better product availability, and lowers operational costs through streamlined processes.

Digitally empowered retailers benefit from efficient supply chains, with safe, pleasant omni-channel customer experiences that include BOPIS, Click and Collect, Reporting, Kerbside Pickup, and In-Store Fulfilment powered by integrated AI-driven platforms. Comprehensive managed services and solutions from a single source improve availability and performance.

Exclusive African partner

NEC XON has been the exclusive African partner for Pricer ESL since 2006. Experienced, certified, and trained consultants, technicians and engineers design and deploy Pricer, the world's leading physical and digital retail solutions, for some of Africa's and the world's largest and most respected retail groups.

We help retailers enhance store operations and stock availability, simplify their operations, lower costs and reduce support challenges, improve availability, and deliver an integrated, unified platform. Robotics-driven, AI platforms are globally tried and tested to deliver transformative retail solutions that improve revenues, gross profit and Customer experience. The solution is being used:

- In more than 25 000 stores worldwide
- By the biggest retail groups in Africa
- By over 650 large and small retailers in South Africa and Africa
- In more than 70+ countries

Imagine a retail shopping experience where customers can quickly and easily find in-store prices, promotions, and product details without confusion or delays – for a smoother shopping journey and increased satisfaction. Then imagine if store owners could rapidly update pricing and promotions across all shelves in the store – consistently and with zero errors.

Now imagine extending that efficiency to managing inventory, as Electronic Shelf Labels (ESLs) integrate with AI-driven platforms to optimise stock levels, minimize out-of-stock situations and ensure that stock is always visible on store shelves.



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service, inventory management, marketing, pricing optimisation and even data-driven loans.”

But that’s not where it stops. AI is increasingly being used to enable and automate more advanced initiatives. French software-as-a-service company Veesion has already piloted its AI-driven gesture detection software at several Pick n Pay and Spar outlets to help identify suspicious behaviour by customers in retail shopping environments and automatically alert staff to respond.



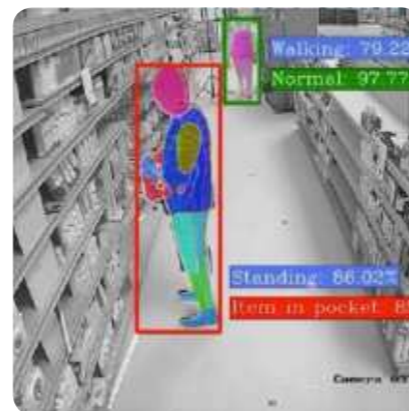
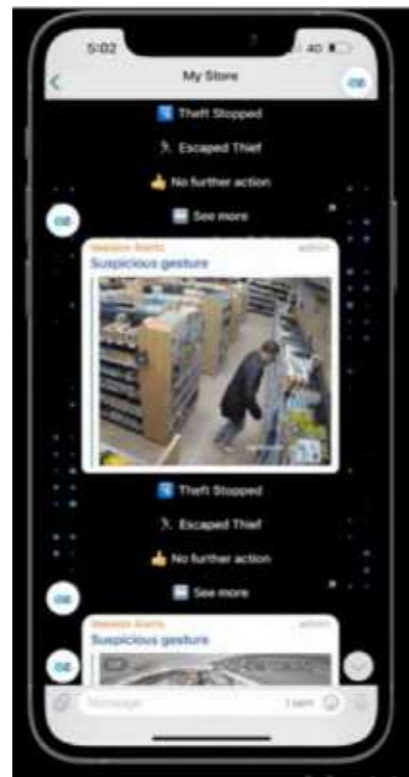
Miguel Inocentes

Veesion’s solution connects a computer-sized server to existing security camera setups, eliminating the need for additional system modifications. Veesion account executive for South Africa, Miguel Inocentes, explained in a recent interview that the deep-learning model operates on three levels ...

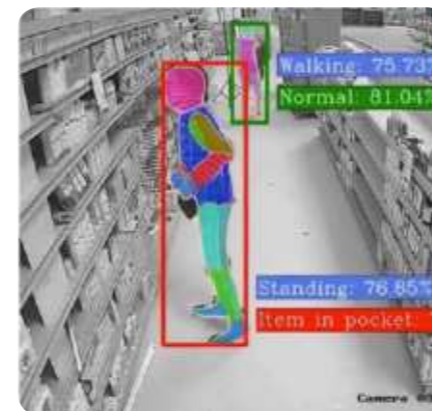
“The first detects humans, the second recognises products on shelves, and the third analyses gestures, identifying those deemed suspicious.”

Instead of having, say, five security guards and three people in a monitoring station, you can now have two security guards along with our software feeding them real-time information so they can act more efficiently, then use our alerts to go directly to problematic situations.”

AI is also playing a growing role in automating app-based shopping and its associated home



Images: <https://veesion.io/en/>



delivery services. For example, Pick n Pay has integrated smart AI search technology into their app to help customers find products easily, and to offer pre-selected alternatives when items are out of stock, enhancing the shopping experience by providing personalised and relevant results.

Likewise, Checkers Sixty60 employs AI for route optimisation in its delivery service, improving delivery times and reducing fuel costs.

New ways to pay

In South Africa, contactless payment and digital wallet options have seen significant growth and adoption, driven by convenience and the need for secure, efficient transactions.

For instance, the widespread use of RFID (radio frequency identification) in debit and credit cards has made tap to pay technology

a popular choice for local consumers, allowing quick and easy transactions without the need to enter a PIN for smaller amounts. This technology is widely supported by major banks and retail outlets.



www.camcode.com/blog/what-are-rfid-tags/

QR code-based payment systems such as SnapScan, Zapper, and Scan to Pay (previously Masterpass) have also





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Then there's the increasing adoption of international digital wallet services – Google Pay, Apple Pay, and Samsung Pay – that allow users to make payments using their smartphones or wearable devices, adding another layer of convenience and security. Apple Pay and Samsung Pay have partnered with several local banks, making it easier for South African consumers to link their cards and use these services for everyday transactions. Templemore-Walters says ...

become increasingly prevalent. These systems enable customers to scan QR codes using their smartphones to complete transactions, offering a seamless and secure payment experience.

SnapScan and Zapper are particularly popular in smaller businesses and markets due to their ease of setup and use, while Scan to Pay integrates well with various banking apps, enhancing its accessibility.

Digital bank cards and mobile banking apps are widely used, with major banks such as FNB, Standard Bank, and ABSA offering robust mobile app functionalities that include digital wallets and secure online payments. These apps often support additional features that include budgeting tools, instant payments, and integration with other financial services.

“Fintech payment companies offer a wide range of card and digital payment acceptance solutions, including phone-based apps for smaller retailers and value-added services (VAS) terminals, devices that enable merchants to sell virtual products such as airtime and accept card payments.”

“Moreover, digital wallets aren't just for consumers. Once a retailer deposits cash into a retail cash vault, some providers allow them to store the funds in a digital wallet. The retailer can then use an app to purchase stock or pay bills with suppliers that are on the same system without having to pay a cash deposit fee. Alternatively, they can cash out the funds from the wallet to their bank accounts in real time.”



Crowdfunding

Raising money or funding a business by getting small amounts of capital from a large number of people.

Mira Norian
www.investopedia.com/

Financing retail automation

For all its potential returns and proven efficiencies, most retail automation solutions still require upfront investment and longer-term commitments for retailers who want to stay in the game. Thankfully, local retailers looking to finance their retail automation projects have several viable options to consider.

First, exploring government incentives and grants specific to technology and innovation can be fruitful. New initiatives such as the Department of Trade, Industry and Competition's support for industrialisation and technological advancement, in conjunction with Microsoft, could provide significant financial backing in the coming months and years.

Second, leveraging partnerships with technology providers who offer financing or lease options tailored to automation solutions can spread costs over time while ensuring access to meaningful technology. Tapping into local or international banks that specialise in project financing for

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that are centred around our cash management platform,” says Templemore-Walters.

“They can, for example, access opportunity capital of up to R5 million in just 24 hours from Capital Connect.

Automation: the future of retailing

Retail automation is on the up and up. It enhances operational efficiency by reducing human errors and streamlining processes, which is particularly beneficial in a diverse and geographically vast country like South Africa. This efficiency leads to cost savings, improved customer service, and faster transaction times, all of which are critical in our competitive retail market.

The adoption of automation technologies also aligns with global trends towards digitalisation and technological advancement. South African retailers are increasingly recognising the need to integrate digital solutions and advanced AI technologies into their operational processes in order to stay relevant and meet evolving consumer expectations.

Lastly, by deploying technologies such as self-checkout systems, inventory management software, and AI-driven analytics, retailers can use automation to address other relevant local challenges, such as labour shortages and rising labour costs, making it an attractive long-term investment.

technological upgrades could also provide favourable terms and flexibility in repayment schedules.

And third, crowd-funding platforms or venture capital aimed at supporting digital transformation in retail may offer alternative financing avenues for innovative automation projects.

“We have built a complete fintech ecosystem that gives retailers access to powerful solutions

“This short term, unsecured fintech finance offering, or business loan, can be repaid in small daily instalments instead of a large debit order at the end of the month, making repayments affordable and ensuring the retailer maintains cashflow levels. For retailers with a Cash Connect retail vault, the daily repayments can be deducted straight from the cash in the vault, or retailers can opt for a daily debit order.”

Who are we?

A trusted source of retail information for over 65 years, our magazine informs and empowers retail business owners to grow whilst tackling current industry topics.

How can we help you?

We connect FMCG brands, and Equipment and Service suppliers to retail decision makers around South Africa. Elevate your brand with our wide variety of digital offerings.



SCAN TO VIEW MAGAZINE



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Best practices for retail automation

Retailers embarking on automation and digitisation projects should consider these best practice techniques to ensure smooth implementation and significant returns on investment:

- **Take a customer-centric approach:** prioritise the needs and preferences of your customers by using data analytics to better understand their shopping habits.
- **Integrate your omnichannel strategies:** develop a seamless experience across all your channels – online, mobile, and in-store – allowing your customers to seamlessly interact with your stores and brands.
- **Employ sustainable practices:** integrate sustainability into your digital transformation initiatives to reduce waste and improve energy efficiency.

- **Adopt agile and scalable technology:** invest in agile technologies that can quickly adapt to market changes and scalable systems that grow with the business, such as cloud-based solutions and modular software.
- **Conduct employee training and engagement programmes:** ensure that employees are well-trained in and engaged with the new technologies you're implementing. Regular training sessions and workshops can help staff better understand

and effectively use digital tools, improving overall productivity and customer service.



Image by Ahderjunior, www.canva.com

- **Secure your data:** implement robust cybersecurity measures to protect customer data and ensure compliance with data protection regulations. This builds customer trust and safeguards your business from potential cyber threats.
- **Create a collaborative ecosystem:** foster partnerships with technology providers, fintech companies, and logistics firms to leverage their expertise and enhance service delivery. Collaborating with startups and tech companies can bring innovative solutions into your retail space.
- **Encourage customer feedback and continuous innovation:** regularly seek customer feedback and stay updated with the latest technology trends to continuously innovate and improve their shopping experience. Set up a dedicated team or innovation lab to experiment with new ideas and technologies. **SR**

Sources:

<https://mitsloan.mit.edu/ideas-made-to-matter/https://progressivegrocer.com/how-machine-learning-can-maximize-inventory-management>
www.automationanywhere.com/rpa/
<https://enterpriseproject.com/article/2019/5/>



Guy Lerner, writer and photographer, writes across diverse topics in business, technology, and retail, including consumer technology, telecommunications software, user experience technology, security, and power systems. He has worked with multinational companies in South Africa and Australia and is currently based in Cape Town. Guy holds a B.Sc. Honours degree from the University of Witwatersrand). Contact Wilkins Ross Communications (www.wilkinsrossglobal.com) or guy@wilkinsross.co.za.



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Migros Türkiye. A success story between Asia and Europe

With about 85 million inhabitants and noble historical traditions, suspended between secularism

and its Islamic identity, Turkey (now named Türkiye) is the door to Asia. Although managed by an authoritarian regime it follows many business principles adopted by western Europe.

In Türkiye, Migros' intention is to ensure a better future for its clientele, in line with a 'customer-centric approach', aimed at launching healthy and sustainable products, and characterised by top quality service and modern initiatives.



Özgür Tort, CEO of Migros-Ticaret-A.Ş.



External view of a large Turkish Migros supermarket.



External view, in the evening, of a Turkish Migros supermarket.

Vision and corporate purpose

Migros Türkiye has adopted a declared purpose of turning the healthiest attention to its own internal organisation, by applying a transparent and efficient work environment, promoting equal opportunities and progressive human development, and thus bringing out the highest level of potential of each worker.



▲ View of the cash desks in a large 'Ramstore' store, located in a shopping mall Kazakhstan.

◀ External view of a 'Ramstore' store in Kazakhstan.

one sodastream endless possibilities



Fizz



Mix



Enjoy

The official commitment made by the Turkish retailer on its communication channels is as ambitious as eloquent and says ...

“... we support total development, in particular local development for a strong society. We expand growth while we grow, for a good future and do it through strong collaborations with our stakeholders.

We work to ensure that our planet has a better future, guaranteeing the sustainability of food and the effective use of limited resources. We want to offer purchasing experiences unique with exclusive service qualities, pioneering practices, rich variety of products and also prices based on a contribution to the family budget. 🇹🇷



"We are proud of our store" this team picture says.



In the Migros Turkey stores, the service area departments are very similar to those of western Europe, with expert staff and great service.



In Turkey, coffee is a staple drink. Here customers can enjoy it and buy their favourite variant.



Mion is the brand selected by Migros for personal care product marketing.



Mion, also applies to the male personal care range.



During the month of Ramadan, Blessing and Delight packages are available at special prices for Money Bonus in Migros stores and Migros app.



The network & distribution formats

Migros Ticaret-A.Ş. at February 2024, covered a total sales surface of 3 163 666 m² in 3 381 stores (in 81 provinces of the country), of which 3 151 are branded 'Migros', 157 'Macrocenter' and 73 'Mion'.

The 'Migros' brand, in Turkey, is the backbone of the organisation, following the principles of innovation and quality: it offers products of proven value, very wide ranges and affordable prices. Its commitment to a philosophy of continuous innovation, makes it a leader in the Turkish retail sector.

'Macrocenter' has an exclusive portfolio of products and offers high service standards, with specially designed shops: it suggests the best flavours, evoked by both Europe and from rest of the world, as well as obviously the specific ones of Anatolia.

'Mion' is a brand dedicated specifically to the 'personal care' market; it's philosophy is based on the premise that everyone has the right to feel good, that he/she must have confidence in him/herself and find the best possible version, mirroring him/herself in a pleasant appearance that should 'let it be at best'. In their marketing strategy, Mion focuses on terms such as 'unique beauty', 'embracing the differences' and includes all those who wish to take care of themselves.

Impulse sales is at the forefront of all Migros service department layouts.



Nonlinear display units ensure an interesting shopping expedition creating many opportunities for extra sales.

View from frozen foods at the 'Ramstore' in Kazakhstan.



Fresh produce manager proudly shows his colourful produce display.



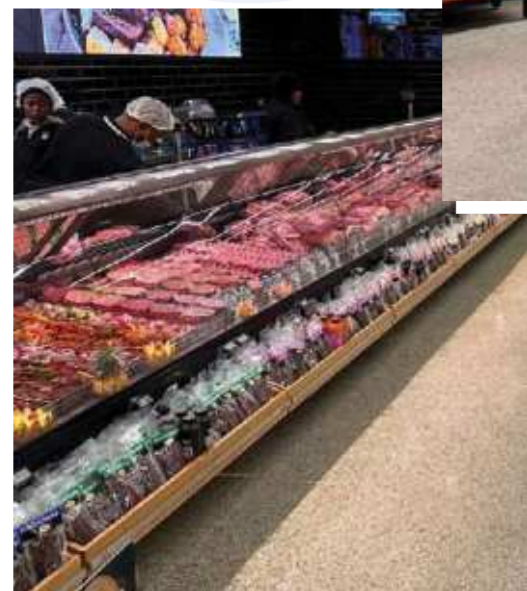
Good merchandising, great lighting and electronic shelf labels ensure a pleasant grocery experience.





UPRIGHT WRAP

UPRIGHT



GLASS DOOR FREEZER

GOURMET





SERVE OVER & SELF SERVE

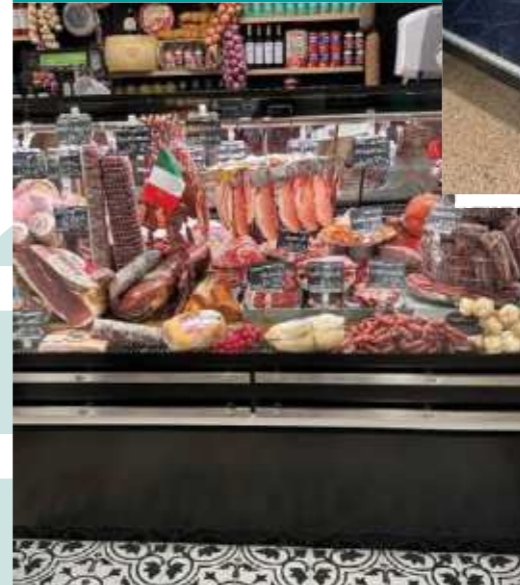


COLD FOOD BAR ISLAND



DELI

NOVUM PLUG-IN FREEZER



Similarities with European models

Migros Ticaret-A.Ş., previously known as 'Moonlight Perakendecilik Ve Ticaret Anonim Pirketi', was founded in 1954 and it was originally a simple supply point for the noted Swiss Cooperative Migros.

It evolved to become a truly local entity and it is well accepted in Turkish society, as it is listed in the Istanbul Stock Exchange.

Its expansion outside of Turkey, now includes a brand known as Ramstore in countries such as Kazakhstan and Macedonia.

A European model that has been adapted to the Anatolian societal needs and is a great bridge between cultures and geographic locations.



A man shops with his son in a Migros store in Istanbul, Turkey. www.dailysabah.com/



A look at Migros Türkiye's social media pages



Migros' award-winning Family Club project gives people of all ages – whether they are Migros employees or not – many opportunities to discover what they are capable of doing. As the majority of their members are women, the clubs also encourage women to play bigger and more active roles outside the home in social spaces, to invest in their own personal futures, to acquire and develop marketable skills, and to be more effective role models for their children. In addition to the art, music, chess, choir, drama, and similar courses that they provide for children, the clubs also help youngsters become more knowledgeable, imaginative, and conscientious individuals by organising workshops that focus on current issues such as computer coding and preventing pollution and waste.



A supermarket yacht for shopping at sea!

A few years ago Turkish retailer Migros launched its innovative 'floating full-service store', a 40 metre motor yacht called 'Migros Deniz Market' (Migros Sea Market) aiming to meet the needs of coastal areas and other boats in Aegean Sea. Operating daily over the summer, until the end of September, in the peak sailing season, the yacht aims to meet the needs of customers in the coastal areas of Fethiye and Göcek between 09:00 and 17:00 and the Fethiye harbour between 19:00 and 22:00. The popular sailing supermarket has over 172m² of shopping space and stocks fresh fruits and veggies, meat, bakery and deli goods, along with other essential grocery items, as well as a range of non-food products. Available to customers 7-days a week it offers privileged services with specially designed sailor uniforms and English-speaking staff. The location of Migros Deniz Market can be monitored instantly on smart phones and tablets. Products are priced the same as those in other Migros stores, with payment by cash or credit card. The boat also offers ATM service. This development is an innovative and creative way to better meet the needs of shoppers, as well as capitalising on passing seasonal trade from other boats. <https://turkey.redblueguide.com/>



Migros Türkiye at sea



Hippo Zourides, serial entrepreneur and corporate leader, has been involved in the food trade for over four decades and consults to corporates, large, medium and small enterprises on a variety of management and restructuring skills, including the latest ESG requirements.



Antonello Vilardi, professional in managing points of sale at numerous commercial signs, editorial collaborator for specialised magazines, consultant and lecturer in university masters. He has written books on large-scale retail trade.

SR





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Designing spaces to reflect your store's brand

A good balance of creativity and functionality shapes and inspires the shopping experience. Great store design manages the flow of the shopper and directs them on a journey through the aisles; it engages them and excites them. Regardless of floor space and footprint, a well-designed store is a space where shoppers feel comfortable, confident, and catered to.

The principles of store design

How a store is designed is part of its brand. Franchise or chain stores should provide a similar, familiar experience, whereas flagship stores, independent stores, and owner-managed stores have a little more leeway – and occasionally more expectations placed on them. If a store is intended to be a standout space, it needs to reflect that in everything – from interior design to stock, product displays, and customer care. Good design can bolster your reputation; bad design can damage it.

Apart from the physical space and other architectural considerations such as natural lighting, HVAC options, building materials, furnishings, flooring, and display cases, store design also relies on the intangible, on feelings and emotions, atmosphere, and on how shoppers perceive the space. Retailers should create an experience that not only welcomes shoppers, but also drives them to make purchases and encourages them to return. There are a few basic principles to keep in mind.



Palm Beach Gardens, Florida. <https://progressivegrocer.com/>

Floor plan: Most retailers use a grid layout, which allows them to arrange products in aisles that enable customers to browse at their leisure. This is a logical configuration that is easy to navigate, familiar to shoppers, and maximizes product display. A more modern approach disrupts the classic grid layout with a more freestyle, market-like feel that encourages slower browsing, a more meandering path, and more exciting standalone and island displays.

Looking good: A store's entrance and displays must be attractive, engaging, and eye-catching. These critical areas of any store should encourage shoppers to firstly want to come inside, and then to interact with and purchase the products on display. It's a good idea to mix promotional and sale displays with occasion displays (think celebrations), product launches, and those impulse purchases that are hard to resist – baked goods, novel luxury or imported items, spoils and treats.

If a store is intended to be a standout space, it needs to reflect that in everything – from interior design to stock, product displays, and customer care. Good design can bolster your reputation, bad design can damage it.

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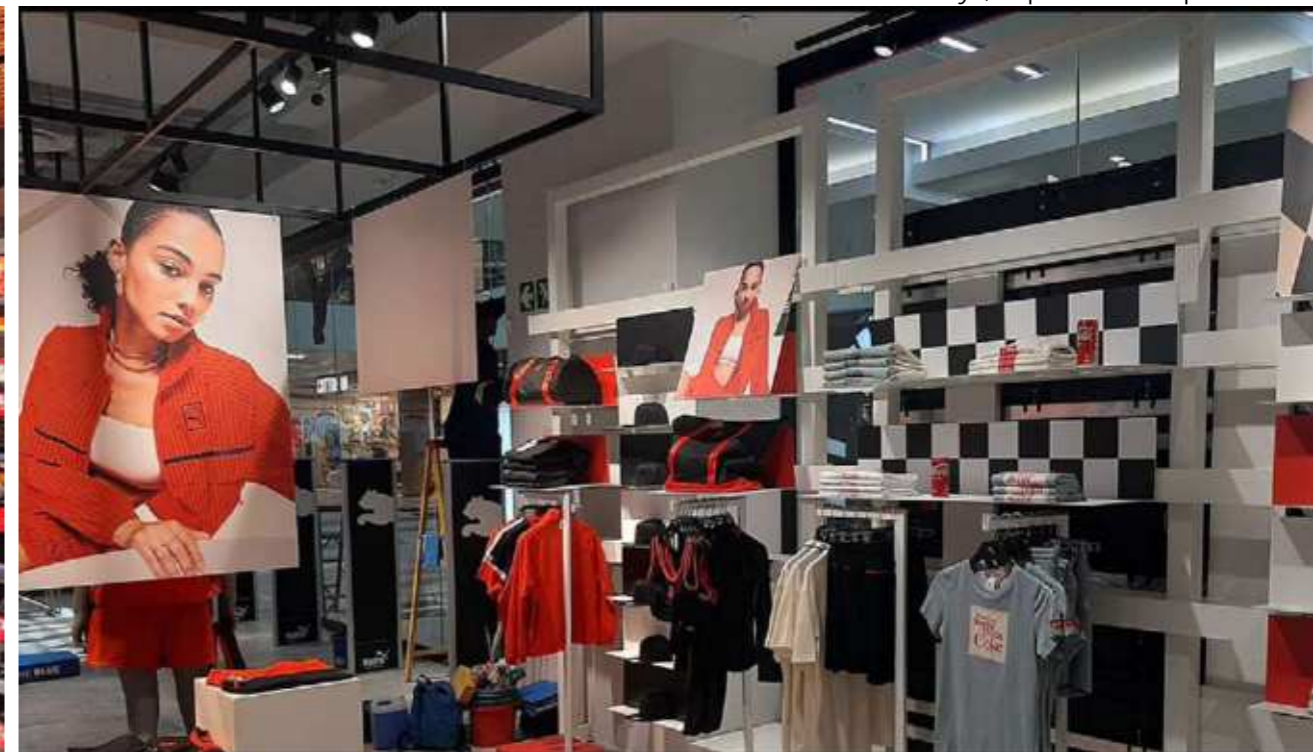


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Breathing room: It's not always possible to allow customers as much space as they might like in aisles and around corners, but be aware of how pillars and posts, as well as tight corners and narrow aisles that are tricky to navigate with a trolley or pram, can negatively affect the shopper's experience.

Organisation: A store's layout does need to be logical and sensible. Monitor buyer behaviour to understand how your customers expect to shop and what products they expect to find where. Also ensure that your shelves and displays are well-organised, tidy and well-stocked. A customer who has to search for what they want can easily become frustrated and leave without making a purchase. There also needs to be a product flow that directs customers to new, unexpected, or undersold products in order to encourage more browsing and impulse purchases.

Pace yourself: Eye level is buy level, or so they say, so remember to place key products at the right height. These can be essentials, best-sellers, or premium products, depending on your target market, location, time of year, and what brand and category managers want to highlight. Locating basics such as bread, sugar, tea and coffee, the butchery, and the deli counter towards the rear and sides of a store motivates consumers to traverse the floor in order to reach what they need. Spacing these categories out can also slow the journey through the store, creating more opportunities for impulse buys and browsing.

Welcome: The entrance to a store can be commanding or insipid. Good use of space and visual impact is crucial. A dull entrance is as uninspiring as a cluttered one, and even if space is at a premium, a well-organised and good-looking entrance can go a long way to making shoppers feel welcome, comfortable, and relaxed, which is good for business.

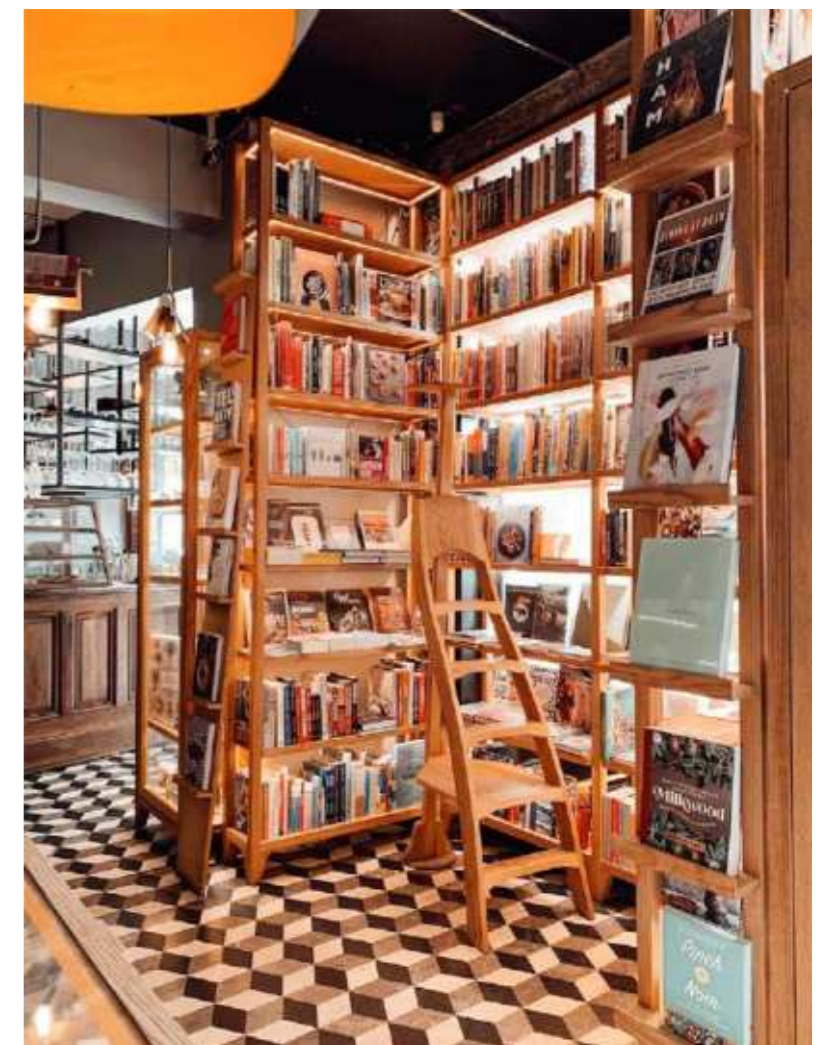


Image by Firkanfdemir, www.canva.com



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Ishida UNI 9
Behold the trifecta of awesomeness: Colour display, built-in security features, and linerless!



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Design trends:

Understanding colour theory and chromotherapy is no new-age fad. Chromotherapy, also known as colour therapy, is the use of colour and coloured light for therapeutic

effects. The use of sunlight and colours for healing can be traced back to ancient Greece, Egypt, China and India. Consumers can and do respond subconsciously to colour palettes and lighting, so making the right choices means being informed and engaging professionals.



Experiential shopping:

This is an important trend that is gaining popularity among consumers internationally and appeals to a range of shoppers across demographics. For some, immersing themselves in the shopping experience is part of

the appeal, and catering to that can ensure brand loyalty and return visits. Engaging the senses, interacting with customers, and providing spaces that enable and promote this are essential to creating positive and memorable customer experiences.

Adaptable and agile: Flexibility is key for today's consumer – from a multitude of payment options to agile spaces, modern and efficient points of sale, a relevant and meaningful range, access to online shopping, click and collect, and home delivery options – all these are expected and even demanded by modern shoppers.



The annual South African Council of Shopping Centres' (SACSC) Retail Design & Development Awards (RDDA) celebrate shopping centre design excellence and recognise exceptional shopping centre design that, together with economic success, showcases innovation, sustainability, and high standards of design and execution.

In 2022 Checkers Foods Franschhoek, located in the picturesque wine valley in the Western Cape, was named joint winner of the Spectrum Award for best retail development and design at the SACSC awards.



Amanda Stops

Amanda Stops, CEO of SACSC, said, "The development and design of shopping centres is a multidimensional and sophisticated discipline. It's a creative, technical and commercial discipline that brings architecture, interior design, retail principles, consumer dynamics, environmental innovation and technology together in the conception and construction of retail space. Our industry is constantly innovating, creating and challenging itself, and raising the bar for development and design, and we are proud to acknowledge this excellence."

The Checkers Foods store is situated in a former small unit shopping arcade, and the existing

frontage units create a 'village market' concept. The store makes the most of its unique design and quaint setting and is an innovative example of reusing and reimagining an existing space.



Willem Hunlun

"Checkers Foods in Franschhoek was the first of the smaller format concept stores to open in the Western Cape. We wanted its design to honour the style and charm of the town, as well as the architecture of the building in which it is located. We are extremely proud of this beautiful store," says Willem Hunlun, COO of Checkers.



Jackie Bronkhorst

Pretoria-based design specialists Stunning Creations, led by Jackie Bronkhorst, head designer, have delivered a number of innovative store launches and revamps for the SPAR and SPAR TOPS-owned brands across Gauteng. In 2023, Food Lover's Market Bothasig in the Western Cape was named joint winner of the retail design – store category – in the Council's RDDA.

Local store design awards ... continued

SACSC RETAIL DESIGN & DEVELOPMENT AWARDS



STORE DESIGN

Checkers Franschhoek



Food Lover's Bothasig

The judging panel said, "Continuing their trend of creating the most experiential in-store food spaces, Food Lover's Market has taken the style ethos to the external architecture, providing a classic 'farmers market' look to the façade, big barn doors and timber cladding. Inside the clear sight lines together with stone floors and timber bulkheads provide a holistic design message to the shopper." ■ CONTINUED OVERLEAF



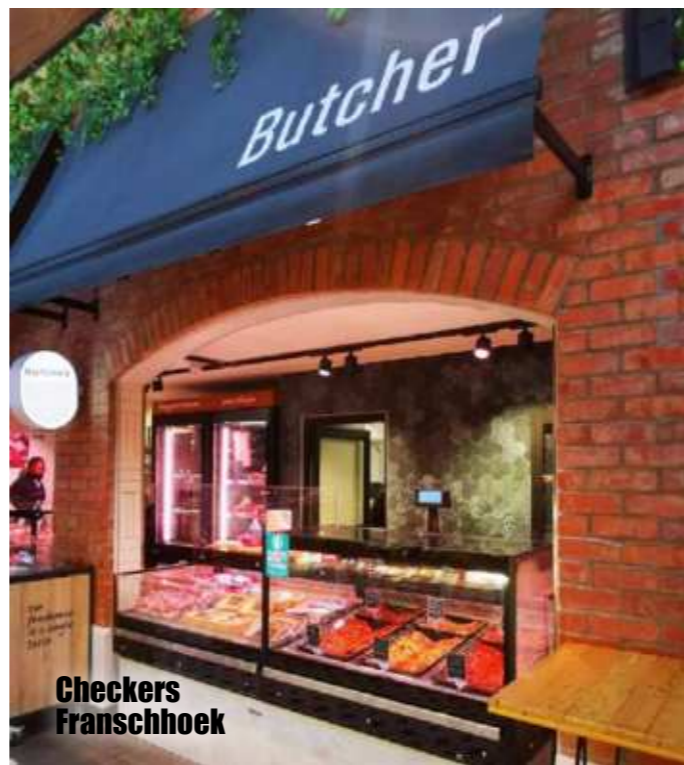
Food Lover's Bothasig



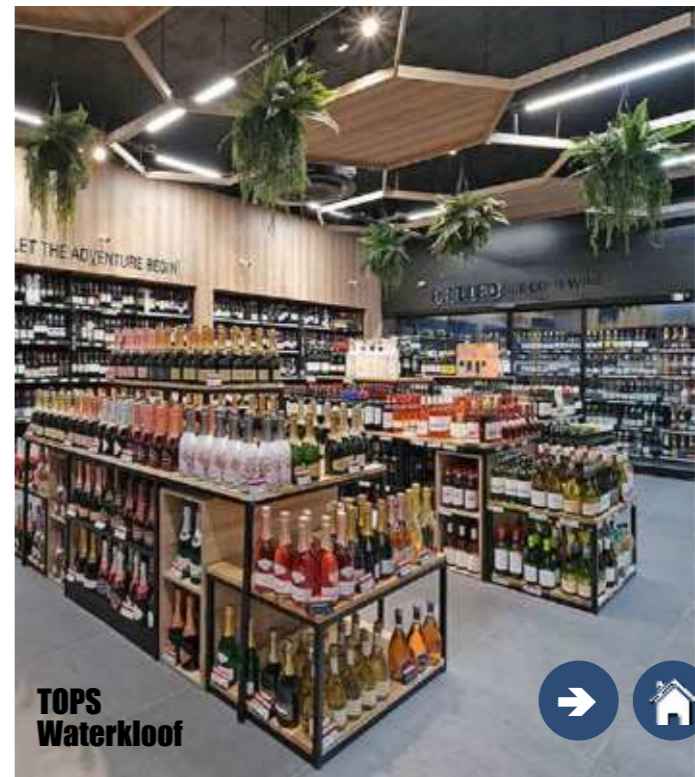
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Gondola Shelving

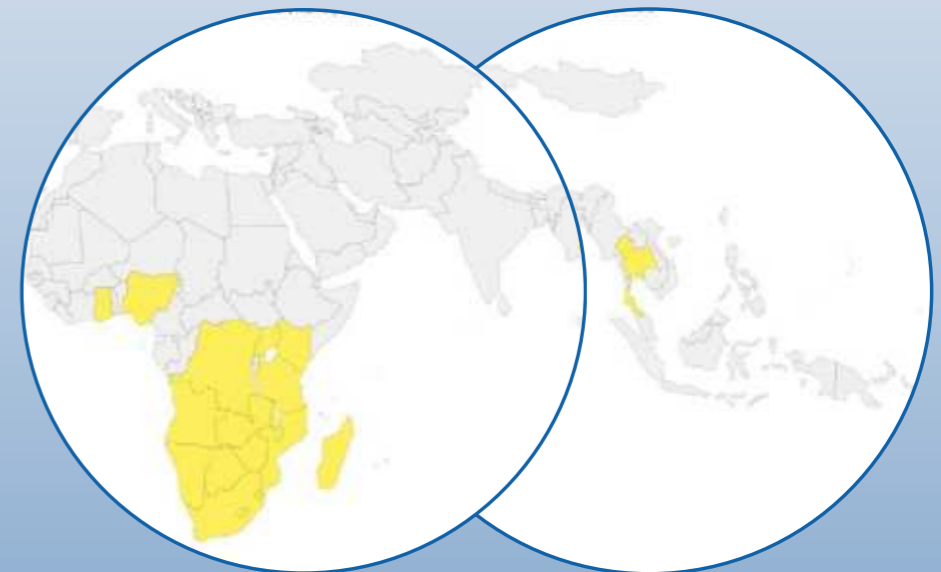


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BRJ INC, Eliseevsky, Moscow, Russia. <https://wanderwisdom.com/>



SHOP! Design Awards Silver Award El Palacio de Hierro Satélite Category Department Store (New or Remodeled).



Harrods, London. Photo: Megan Eaves, <https://wanderwisdom.com/>

Teatro Italia, Venice, Italy. Jorge Fanganillo, <https://wanderwisdom.com/>



EuroShop Retail Design Award 2023 Category Food Winner Interspar am Schottentor in Vienna.



International inspiration

Award-winning design combines functionality with beauty – from eye-catching designs to a seamless and comfortable experience. Expertly highlighting your store's range in state-of-the-art facilities with top-notch customer care and attention to detail is standard for stores that attain international recognition. Underscoring this is an understanding of the importance of sustainability in both business and building practices, employing the latest technologies and solutions to achieve this. It's fair to say that significant investment is required to garner these accolades, but the benefits cannot be overstated.

Following international trends in retail and interior design, with some adaptation for the local market, is the best way to remain fresh, relevant, and exciting. Remember that interior makeovers don't always need to be extensive and cosmetic changes, and quick fixes such as freshening up paint, trimmings and finishes, or updating a colour palette can have a big impact. In addition, changing and updating your in-store displays is an excellent way to present a revitalised look without too much investment.

Saints Road Foodland,
South Australia.
Glenn Hester Photography.



Food Lover's Castle Gate

The theatre of food Food Lover's Market creates strong brand identity

When it comes to vibrant displays and an appealing shopping experience, Food Lover's Market (FLM) knows a trick or two. Andrew Strickland, Store Design Manager for FLM, shares some top tips for keeping things fresh and fun. He says, "Good store design is vital to creating a friendly and efficient shopping experience." He adds, "It's also important to us that our store design creates a brand identity that sets us apart."



Photo: Rajes Manda

Food Lover's Market, Castle Gate Lifestyle Shopping Centre, Pretoria.

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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.



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Efficiency At Work



Up to 40%
Energy Saving



New or Retrofit
Existing cases



Environment
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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.
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Food Lover's Castle Gate ▼



Food Lover's Market, Castle Gate Lifestyle Shopping Centre, Pretoria. Photos taken by Marius Del Carmé of Hamiltons in Creative, provided courtesy of Food Lover's Market.

Strickland shares his top five principles of store design...

- **Good flow** means creating a fluid and efficient transition between in store departments.
- **Inclusion of theatre by means of animatronics and effective signage**, thus creating moments between shopping (all credit to Hamiltons in Creative).
- **Lighting is key.** Although perhaps not the typical stand-out focal point, efficient lighting design can make the world of difference in a store and can be paramount in highlighting product and allowing for comfortably lit spaces.
- **Brand identity** is essential, for us that means keeping that market feel that is so well known to Food Lover's Market: the theatre of food.
- **Keeping a good ratio between front of house (trading) and back of house (storage, prep and staff facilities).**

"All these elements are aligned to highlighting the products in our stores – our goal is always to provide a memorable experience that appeals to our customers and encourages them to return," concludes Strickland. As can be seen from two of their latest store opening in Pretoria and Rustenburg, this goal has certainly been achieved.

Food Lover's Rustenburg ▼



Food Lover's Market, Cornerstone Lifestyle Centre, Rustenburg. Photos taken by Marius Del Carmé of Hamiltons in Creative, provided courtesy of Food Lover's Market.

Trends to watch

Taste, touch, smell. As we move away from the constricts of the past, experiences are becoming more central to retail in all forms. Consumers want immersion, interaction, and involvement. They want to talk to experts, ask questions, and use their senses to experience whatever product, solution, or service they seek. In this instance, creating an immersive experience is not enough – the setting is just as important. Eye-catching, attractive, and comfortable spaces that encourage intimacy and give customers the freedom to experience their shopping experience is key.

One of a kind. Personal buying is becoming the norm. Shoppers want to feel that their store understands them and knows what they want. Introducing opportunities for personalised purchases is fast becoming expected by international consumers. Local markets are catching on quickly, with some brands allowing customers to blend their own coffee or olive oil, or jar their own honey, for example. There are many opportunities here for adventurous retailers.

Personalisation. Delivering a shopping experience that is tailored specifically to a customer has to involve harnessing data collection and analytics around consumer behaviour and employing technologies such as artificial intelligence (AI) and machine learning to help understand customers. With predictive AI tracking that allows retailers to have insight into the products and brands preferred by their shopper base, predicting what consumers will purchase and when, and younger generations

<https://www.dartdesign.in/>



who are increasingly comfortable with 'Big Brother' monitoring them, personalised shopping is a reality that's only going to gain momentum.

A shopping extravaganza. Premier and luxury experiences are, as always, popular. Consumers love to feel special, and for many, splurging on luxury goods or shopping at a trending location are highly desirable. Presenting a luxe encounter in both look and feel is a sure-fire way to attract shoppers.

Retail technology. There's no doubt that technology is shaping the retail experience of the future. Retail automation provides extensive payment options, while predictive AI is being used for stock and facilities management. In addition, intriguing advancements in the technologies used in-store are elevating the customer experience. Internationally, robot waiters and staff, AI-powered

shopping assistants, smart carts, autonomous checkout-free stores, and drone delivery are all futuristic visions that are becoming reality.

Sleek and chic. Clean, clever design is vital, whether modern or quaint, market-like or futuristic, abundant or minimalistic. It must look fresh, suit your customer base, and provide an atmosphere that inspires, encourages, and welcomes customers.

There is no excuse for poorly finished design elements or snags that detract from the overall look and feel of a store. Exceptional execution of a first-rate design is the only option for stores looking to create a positive impression. **SR**

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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



Farm to Fork

www.food-safety.com/



Fresh food sales are skyrocketing globally as the appetite for healthy eating and living continues to soar. More and more research studies are finding that consumers are not only placing a high value on healthy foods, but are willing to pay for them.

Already in 2015, an AC Nielsen report found that with sales growth in fresh produce departments on such a high growth trajectory, retailers can't afford to ignore fresh. More so, retailers have for years been advised that fresh is the way to win consumers in an increasingly crowded market.

This was also found in a subsequent Oliver Wyman study that surveyed more than 17 000 consumers in some 14 different countries.

It showed that fresh was a vital card that grocers could play to attract high-value customers and differentiate themselves from other players.

Whilst there are many ways retailers can use produce to stand out and gain a competitive advantage, quality remains the critical element in all of this. This means greater control over supply chains has become imperative. The Oliver Wyman study found that to excel in every aspect of the fresh value chain, high standards have to be guaranteed from farm to fork.

"Freshness of produce is a critical factor that directly influences customer satisfaction and loyalty. Customers expect high-quality, fresh products when they shop at supermarkets, and meet-

ing these expectations ensures repeat business," explains Yashen Naidoo, a senior auditor at JC Auditors.



Yashen Naidoo

“Fresh produce attracts customers and enhances their shopping experience, leading to positive word-of-mouth and increased loyalty.”

Furthermore, ensuring high standards of freshness can prevent foodborne illnesses. Consistently offering fresh produce builds trust with customers, who are more likely to return to a store they trust to provide safe, high-quality food.

Rigorous supply chain management ensures top quality fresh products



Vijan Chetty

According to Vijan Chetty, Cool Chain Association (CCA) Treasurer, cold chain management includes all service providers within the value chain from – production to the final consumer (farm to table).

He highlights that cold chain management is essential in maintaining the original product integrity of the perishable product when harvested or processed, right up to the time it is consumed. He explains ...

“This will maintain the desired shelf life of the product. Proper effective cold chain management will reduce food loss and waste and ensure compliance to food safety.”

Effective solutions for maintaining freshness

United Nations statistics show that about one-third of globally transported perishable products are annually wasted due to damage. If fresh products guide the choice of where consumers ship – meaning the most important criterion when





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selecting a retailer is the quality of fresh products – it is imperative to get logistics right not only from a consumer perspective but to reduce waste and drive down cost.

According to Chetty, real-time remote monitoring of product temperatures, air temperatures, and humidity is becoming a necessity to manage the cold chain. These recorders are globally available to monitor the cold chain effectively. Container shipping lines are also offering a solution for remotely monitoring refrigerated containers.

This solution provides 24/7 visibility of the product’s temperatures. Based on good temperature management, food shippers can make marketing decisions to prevent food loss and waste.



Lucien Jansen

According to Lucien Jansen, CEO of South Africa’s Perishable Products Export Control Board (PPECB), the aim is to ensure that produce enters the cold chain as soon as possible to ensure that it is well preserved and its shelf life extended.

Furthermore, the cold chain must be maintained for the duration of the journey, and production must be kept at optimum temperatures for the specific product type. Chetty explains ...

“A well-synchronised supply chain will assist in ensuring timeous delivery of fresh products, especially during the high demand periods such as Christmas, New Year, Eid, Chinese New Year and Easter.”

“Supermarkets adhere to several certifications and standards to ensure the quality and safety of their produce.”



One-of-a-kind glimpse of Mærsk Taikung. Captured by @the_bluue_sailor. www.maersk.com/

“Producers normally gain higher returns when their produce is delivered to the markets during these holidays. The delivery of their products after such holidays normally receives lower returns. Therefore, the delivery of perishable products must meet its time frames because of the fluctuation in prices due to supply and demand.”

Naidoo also highlights the importance of standards. “Supermarkets adhere to several certifications and standards to ensure the quality and safety of their produce. These include the retail standards, Global G.A.P. for good agricultural practices, ISO 22000 for food safety management, and HACCP for hazard analysis and critical control points. Compliance with these standards assures customers that the products meet high safety and quality benchmarks,” he says.



ISO 22000 provides a comprehensive food safety management system framework, integrating risk management, continuous improvement, and stakeholder communication. It mandates systematic identification and control of food safety hazards, continuous monitoring, regular audits, and thorough documentation. These practices enhance traceability and transparency, ensuring food products are safe and meet high standards, thereby building consumer trust.

HACCP (Hazard Analysis and Critical Control Points) focuses on identifying, evaluating, and controlling hazards in the food production process. It involves assessing potential risks, identifying critical control points (CCPs), and implementing control measures. Continuous monitoring and verification ensure the effectiveness of these



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measures, with immediate corrective actions taken if deviations occur. Detailed documentation provides a traceable record of food safety practices.

By implementing ISO 22000 or HACCP, retailers effectively manage food safety risks, ensure high-quality products, and comply with legal standards. This commitment to food safety protects consumers and promotes transparency and accountability, resulting in increased customer confidence and loyalty, as consumers trust the safety and quality of their purchases.

Optimal packaging for sustainability

According to Chetty, the CCA has signed a memorandum of understanding with the PPECB to collaborate on perishable research trials.

“These trials include monitoring the temperature management from the production on the farm to the destination. Included in these trials is research on proper packaging. Packaging with proper ventilation holes for fruit and vegetables is imperative for effective cooling. For example, the CCA has found that ...

“ One type of packaging may not be effective for airfreight, and a combination of solutions will improve the maintenance of the cold chain within airfreight. Aircraft do not have the capability to maintain a temperature of 0°C – 2°C for berries. However, combining thermal blanks and gel packs will improve the temperature management of products that require a low-temperature range. ”

Post harvest supply chain.
www.pngegg.com.
Inset: www.clarifruit.com



There is also a significant shift nowadays, with more retailers promoting sustainable packaging solutions that reduce environmental impact. This includes encouraging biodegradable materials, recyclable packaging, and innovative designs that minimise packaging waste.

“We also see increasing adoption of ISO 14001, the international standard for environmental management systems that helps the retail industry promote sustainable packaging and reduce waste. By implementing ISO 14001, retailers can systematically identify and manage environmental

impacts, including waste reduction and sustainable packaging initiatives,” says Naidoo.

“The standard encourages continuous improvement and compliance with environmental regulations. It also fosters resource efficiency and the use of eco-friendly materials.

“Through ISO 14001, retailers can enhance their environmental performance, minimise waste, and promote sustainable practices, thereby contributing to environmental sustainability and meeting the growing consumer demand for eco-friendly products.”

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We are thrilled to announce an exciting programme for the International Fresh Produce Association (IFPA) Southern Africa Conference on **5 and 6 August 2024 at Century City, Cape Town**. Our goal is to make this event engaging, inclusive, and accessible for the entire fresh produce supply chain.

To kick off the conference, we are hosting a special **Welcome Event** on the evening of 5 August. This event is open to both members and non-members. It will coincide with the grand opening of the trade floor, giving you an early look at the exhibitions and a chance to meet the exhibitors, reconnect with industry friends and make new contacts.

This event has been streamlined into a dynamic one-day format on 6 August, while maintaining the same number of educational sessions you expect. Starting with the **Women's Fresh Perspectives Session** at 09h40, the programme will be followed by **education sessions** which will tackle thought-provoking industry issues, market trends, and inspirational ideas. This means you can maximise your learning and networking opportunities, within a more concentrated timeframe.

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Strategic planning delivers success

Never before has business intelligence been as important as now. It delivers the much-needed capability that enables organisations to make better decisions, take informed actions, and implement more effective business processes. Industries have commenced consolidating up-to-date data for better decision-making.

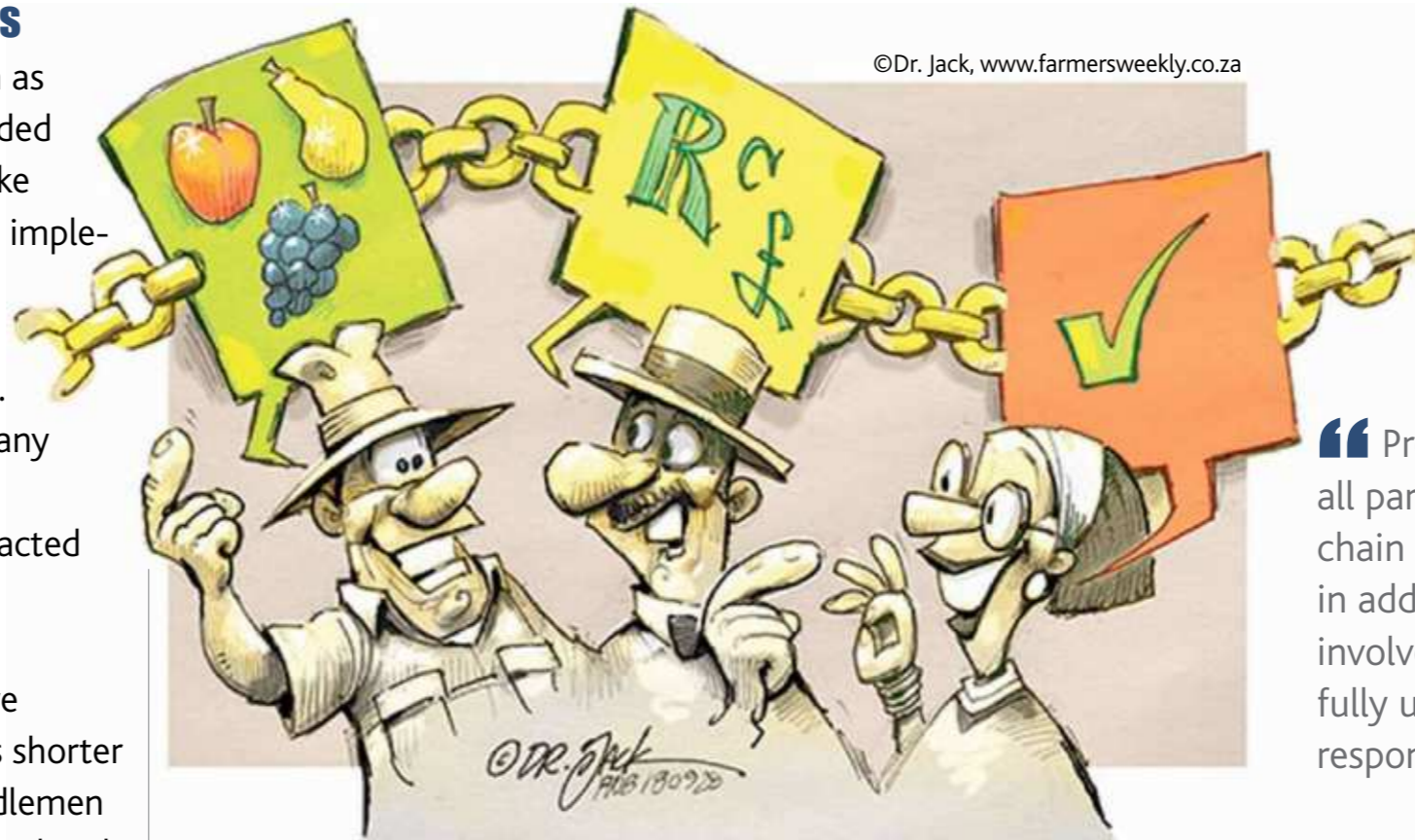
According to international shipping company Maersk, ongoing price rises and subsequent demand fluctuations have significantly impacted supply chains, affecting both producers and retailers.

In some parts of the world, there is a move towards near-shoring, making supply chains shorter and more transparent. Whilst reducing middlemen and diversifying sourcing strategies can help absorb the economic impacts of global disruptions, having an extensive and interconnected network is critical to assist companies and deliver the correct goods at the right time.

Specifically, having access to a broad warehouse and fulfilment network presents an opportunity to minimise the distance between final production and the end consumer, according to Maersk.

Furthermore, understanding the precise demand for perishable goods is another critical factor in optimising inventory management and mitigating financial losses. Still, it is just as important to plan appropriately and that much can be achieved with the proper logistics setup.

"Retailers need flexibility and resilience, not just during transportation, but throughout all



©Dr. Jack, www.farmersweekly.co.za

“Proper planning by all parties in the logistical chain is essential. This is in addition to every party involved in the supply chain fully understanding their responsibility.”

sourcing, production and design phases. End-to-end solutions are invaluable for keeping supply chains efficient and protecting margins. Multimodal options combine various transportation modes and offer the flexibility to choose the most suitable and time-sensitive transport methods for perishable products. This adaptability not only helps in optimising transit times, but also ensures goods reach their destinations in the best possible condition while reducing the risk of disruptions,” reads a Maersk report on supply adaption for the perishable sector.

Therefore, market players must challenge themselves to reduce waste and conserve resources, while minimising the impact on the environment and satisfying demand. Jansen says ...

Confronting challenges directly

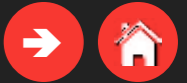
“The infrastructure, equipment and logistical challenges with roads, rail, ports, equipment, shortage of containers and cold storage facilities, as well as demand in electricity, are the biggest challenges within South Africa,” says Chetty. “The lack of infrastructure and the adequacy of equipment within the South African ports system alone hurts shipping and cost.”

Loadshedding, in particular, remains a significant concern for the agricultural sector at large in South Africa.

According to consultancy and advisory firm BDO South Africa, retailers must implement energy-efficient practices, investing in backup power solutions to ensure cold chains are not

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broken when the power goes out. While running generators can be pricey, the cost of spoiled produce is no bargain either.

Experts agree that it comes down to adopting intelligent solutions to address challenges such as electricity supply and ensure that operations remain optimal.

Already, the increased use of technology, data analysis, and automation can be incorporated to optimise logistics despite the many local challenges experienced.

“Customers must be assured that the cold chain was maintained and the products they receive comply with the food safety standards,” says Chetty. “Technology plays a role in ensuring this. For example, electronic documentation, certification, and electronic temperature management records enable authorities to approve consignments before landing at their destinations. This improves relationships between authorities, builds trust, and improves overall efficiencies.”

Jansen says solutions to ensure freshness can also be as simple as inserting temperature probes into cargo to monitor the cold chain and ensure that the product is kept at an optimum temperature. “Of course, these probes are advanced and can often be monitored remotely during the journey.”

Retailers are advised that monitoring systems for their products encompass not only the real-time location, but also the condition of goods. This is of paramount importance, especially for perishable items that constantly require refrigeration.



Thinus Neethling

Thinus Neethling, Petit Forestier Western Cape branch manager, advises that service providers are also chosen with utmost care, delivering quality and efficiency at all times. He says ...

“ At Petit Forestier, we play a role in preserving the freshness of products by using vehicles that are at all times under a full maintenance plan with the client and ensuring fridge and chassis services are done proactively, ensuring that the client has fewer breakdowns on both – delivering the product at the perfect temperature, with the inclusion of a 24/7 roadside assistance for the client, so that if something goes wrong, the problem is fixed without the product being spoiled. ”



<https://fresh4cast.com/>

Just as necessary, says Chetty, is providing transparency to customers on the products they are buying in-store. “The labels on products should have all the details about the product, including a description of the product, details of origin and temperature requirements. The CCA has been working closely with the industry regarding the labelling requirements for products moved via airfreight.”

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



Adds Jansen, “Another way to ensure the safety of food product from farm to fork is to ensure relevant audits are taking place. This guarantees that food safety standards are adhered to at all times. These audits also touch on the responsible use of pesticides and good agricultural practices, amongst other things.”





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predictive analytics, and efficient transportation networks further ensures that fresh products are delivered promptly. Streamlining processes and enhancing coordination across the supply chain are key to achieving efficiency.

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Keeping a finger on the pulse

Naidoo says it all comes down to good cold chain management, a practice that remains crucial in maintaining the freshness and quality of perishable products. "One has to ensure that temperature is controlled from the point of harvest to the final retail destination, ensuring that produce remains fresh and safe for consumption. Effective cold chain management minimises spoilage, extends shelf life, and reduces food waste."

He says optimising supply chains by leveraging technology, improving logistics, and fostering strong relationships with suppliers can achieve much. Implementing real-time tracking systems,

Naidoo stresses that ensuring food safety – and freshness, for that matter – from farm to fork involves a comprehensive approach that includes ...

- Good Agricultural Practices such as soil management water quality, pesticide/fertiliser guideline adherence, adhering to strict hygiene and sanitation standards.
- Post Harvest Handling, including cleaning, sanitation and temperature control to slow microbial growth and preserve freshness.
- Transportation that uses refrigerated vehicles to transport perishable goods to minimise spoilage and extend shelf life, ensuring vehicles are clean to avoid potential contamination.

- Process and Packing that involves Good Manufacturing Practices (GMP) are crucial and encompass clean facilities, worker hygiene and the use of packaging materials that protect produce from contamination and damage.
- Retail and Food Service must ensure that they display fresh produce in clean, refrigerated units to maintain appropriate temperatures, as well as Practice FIFO (First In, First Out) to ensure older stock is used first.
- Traceability Systems that maintain detailed records at every stage of the supply chain to trace the source of any contamination quickly.
- Regulatory compliance with regular internal and external audits, as well as compliance with local and international food safety regulations.



The intricately beautiful and delicate wheat flower.

Photo by Jason Brian Sparrow.
www.farmersweekly.co.za

"Ensuring food safety from farm to fork requires a coordinated effort across the entire supply chain," he says. "By implementing good agricultural practices, maintaining hygiene and sanitation, using proper storage and transportation methods, adhering to regulatory standards, and educating consumers, we can minimise the risk of foodborne illnesses and provide safe, high-quality produce."





Technology remains the game-changer

Technology will continue to play a pivotal role in enhancing traceability and transparency in supply chains. Already blockchain technology (transparent and tamper-proof tracking of produce from farm to fork) along with Internet of Things (IoT) sensors (real-time monitoring of temperature) and the implementation of electronic documents systems, have brought much change to the cold chains, allowing for real-time monitoring and recording of product journeys and the retrieval of detailed electronic records at every stage of the supply chain. This level of transparency builds consumer trust and ensures accountability at every stage of the supply chain.



<https://medium.com/>

"These technologies provide significant benefits by ensuring food safety through stringent moni-

toring and control measures. They enhance quality assurance by providing detailed insights into the conditions and handling of products.

"Moreover, the transparency offered by these technologies fosters consumer trust, as customers can verify the origins and journey of their food products, leading to greater confidence in their purchases," concludes Naidoo. **SR**



Catherine Larkin is a communication and marketing professional, specialising in Logistics, Transport and Supply Chain. Her company, CVLC Communication, is a corporate public relations, communication, marketing and events consultancy. Its services range from full secretariat support, project management and administration.

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Cooking time: 45 minutes



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GOLDI, COUNTY FAIR, FESTIVE or MOUNTAIN VALLEY Chicken Drumsticks

INGREDIENTS

4 garlic cloves, minced	1 tsp salt
2 tbsp canola oil	1/3 cup hot sauce
1/4 cup apple cider vinegar	3 tbsp brown sugar
1 tbsp paprika	1 kg chicken drumsticks

STICKY DRUMSTICKS

These drumsticks are slightly sweet and slightly sour, and pop with spicy flavour.

Method:

- Preheat the oven to 200°
- Mix the garlic, oil, vinegar, paprika, salt, hot sauce, and sugar in a small bowl.
- Make three incisions on each drumstick and cover with the hot-sauce mixture.
- Leave to marinate for at least 3 hours.
- Place in a roasting pan and pop into the oven for 30 minutes.

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Serves: 6
Preparation time: 60 minutes
Cooking time: 45 minutes

GOLDI, COUNTY FAIR, FESTIVE or MOUNTAIN VALLEY BRAAI PACK

INGREDIENTS

Chicken:

1 x chicken braai pack
250ml yoghurt
½ onion, roughly chopped
4 garlic cloves, roughly chopped
1 thumb ginger, roughly chopped
45ml garam masala
30ml turmeric
30ml ground coriander
30ml ground cumin
30ml chilli flakes
30ml sugar
1 x 400g tin chopped tomatoes
5ml salt
5ml black pepper

INGREDIENTS

Salad:

3 carrots, julienned
1kg cherry tomatoes, halved
20g coriander leaves, roughly chopped
2 spring onion, finely sliced
1 red chilli, deseeded and finely chopped
30g pumpkin seeds, toasted
15ml olive oil
15ml balsamic vinegar



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Tasty & Delicious

GRILLED BUTTER CHICKEN WITH CARROT AND TOMATO SALAD

The yoghurt in the sauce makes for juicy, succulent braai chicken.

Method:

Keep the chicken pieces aside. Blend the rest of the ingredients until smooth.

Toss the chicken pieces through the sauce and leave in the fridge to marinate overnight.

Remove the chicken from the sauce, discarding any excess sauce.

Cook the chicken over a medium heat on the braai, getting lots of caramelised colour.

Turn regularly until cooked through. This takes about 40 minutes. Take care not to char the chicken too much.

Salad:

Toss all the ingredients together until combined.

Serve the fresh salad with the crispy, warm chicken.



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Irresistible sweetness



Julia Baker
– creating engaging and relevant content for Supermarket & Retailer Magazine

Wherever you may find yourself, you will find some hearty sweetness, in a large supermarket chain, a small corner spaza shop or even a hawker outside a taxi rank. Indulge in the delectable world of South African sweetness, where you get nothing but the best to nibble on, where each bite is a symphony of comfort and goodness.

From traditional favourites to new artisan innovations, South Africa has an exciting growing chocolate and confectionery market, built through sustainable practices, new trends and health-conscious options, making South Africa a paradise for every sweet tooth out there.

Our very own South African favourites

Nestlé has been in South Africa since the 1870s, and their rival, Cadburys, arrived not long after in 1903, they hold the record as the oldest chocolate brands in South Africa. Though, through the years, various other producers have succeeded in creating some of South Africa's own much loved sweet treats.

A notable and unique sweet is the Fizzer by Beacon, a chewy, fizzy, fruity candy, most often enjoyed at children's parties. Another kids favourite (and adults, not that we admit it!) are Iced Zoo Biscuits, a colourful, deconstructable, sweet biscuit.



Photo: it'sugar, www.chicagoparent.com/

Chocolates & confectionery, an indulgent comfort food loved by young and old, from all walks of life.



<https://sallywilliamsfinefoods.com/>



For decadence, try a melt-in-the-mouth nougat from Sally Williams, winner of a Gold Pack Award (2005, 2018) & the '3 Gold Stars' UK Great Taste Award (2012).

Safaris Fruit Dainty Cubes, has a fruity and somewhat sour taste but with a wonderful sweet ending. They are the perfect snack for school, office, sport and work, chosen because they are naturally high in fibre, and free of fat and gluten.

Tex Bar from Nestlé is still a favourite since 1955, loved by many for its light and crispy texture. South Africans also enjoy unique treats like Wilson's Toffees and Romany Creams, each offering a distinctive flavour experience.

Preferences could be a rich dark chocolate, a smooth milk chocolate drink, a chewy gummy bear or a 3-tier Black Forest Cake, the best quality can be found in our own country.



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The rise and fall of the confectionery trade

Consumer's attitude, life circumstances, interest hikes and more, are not static but constantly evolving and some events, like Covid-19 accelerated faster change. These changes impact the way people indulge in confectionery and other luxury treats.

"The South Africa confectionery market size was valued at ZAR17.7 billion (\$1.20 billion) in 2021. The market is expected to achieve a CAGR (compound annual growth rate) of more than 4% during 2021–2026. Hypermarkets & supermarkets accounted for the leading share in the distribution of confectionery products," says the Global Data 2022 report.

In short term growth, Euromonitor reports a growth of 10% over 2023/2024.

Though even with that positive note, confectionery prices worldwide are set to rise. Mondelez, the company behind the Cadbury brand, identified rising costs of ingredients as one of the challenges it faces in the year ahead. Chief financial officer Luca Zaramella said the firm had seen "significant increases in both cocoa and sugar."

Cocoa prices have been driven up by poor harvests in West Africa, which produces the

www.beyerschocolates.com/



ingredients, sourced locally and internationally. These small-batch treats are elevating the chocolate and confectionery scene in South Africa and providing consumers with an exciting array of options to choose from.



Kees Beyers

bulk of global supply. The El Nino weather phenomenon has been causing drier weather in Ghana and Ivory Coast, which are the world's two biggest producers of cocoa beans.

Current sweet trends in South Africa Artisanal innovations

One current trend making waves is the rise of artisanal confectionery enterprises offering unique flavour combinations with high-quality

Beyers Chocolates has created a modern craft fusion with their Craft Beer Truffles, which is a unique combination of decadent milk chocolate with a hint of beer, rolled in crunchy pretzel pieces. Their range is "inspired by Africa, her people and her rich, bountiful lands. They use sustainably sourced, fresh ingredients for each handmade batch of confectionery." A must try for the adventurous.

Meshuggah, a Cape Town based team of sweet artisans, use only the finest ingredients to make irresistible confectionery like Honeycomb, Pina Colada Marshmallows and Litchi Bon Bons.

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For the health conscious

Of course, there are those who prefer alternative confectionery like sugar free, lactose free or gluten free, either for health reasons or just to be healthier. Less sugar or no sugar and lactose free versions are also being catered for, so no one is left behind.

As studies from Mintel Research Agency reveal, Britain presently leads the way in vegan/no-animal, new chocolate product launches. Britain is responsible for 17%, followed by Germany 11%, the US 6%, Australia 5%, and South Africa is rated with an impressive 5%, demonstrating innovation and space for further growth in this segment.



Denise & Neil Glezer-Jones

An inspiring, proudly South African company, Caring Candies, which Pick 'n Pay selected as one of their Small Supplier Success Stories 2023, has a healthy and innovative brand of sweets.

“The products that we manufacture are healthy and delicious. They are ideal for those with common food allergies, ADD, ADHD, Diabetes



anyone following a sugar free, gluten free, Paleo, Keto or Banting lifestyle.” says Director, Denise Glezer-Jones of Caring Candies.

As far as healthy ingredients are concerned, Myriam Snaet, head of consumer insights at Beneo Natural Ingredients” explains that concern for longer term health is also influencing purchasing decisions taken for children, with 75 per cent of parents globally saying it is ‘extremely’ or ‘very’ important for children’s products to have better nutrition.”

The continued rise of vegan, dairy free and more recently, reduced sugar options among sweets and confectionery is far from accidental, against a backdrop of an obesity crisis in many countries, which has clearly identified reduced fat/sugar options as key to impacting on the obesity situation.

Eye-catching displays

Retailers, knowing that chocolates are most often a luxury item and not on the grocery list, utilise shelving and location to get the smaller sweets and confectionery flying out the door.

Shelving and displays have a great impact on sweet and chocolate sales. Shelving is continuously evolving to create more sales through impulse buying. Nina Degger, Senior Design Consultant at Storeworks has further insight ...



Nina Degger

“Because of the ‘captive audience’ one has whilst customers are waiting to make their purchases, the impulse shelving becomes a hugely important section of your store design.”

The trend is now largely one of the ‘snake queuing system’ where customers have shelving in close proximity to their left and right, thus boosting last minute sales. 🐍

“Sloping shelves allow the product to be displayed with maximum exposure to the client. Retailers are also now preferring to maximise the height of the shelving systems, so as to utilise as much shelf facings as possible, where in the past, the rule of thumb was that impulse shelving needed to be to a lower height

The aim of designing and selecting the correct shelving system will always be twofold: improved customer interaction and of course, increased sales!”



Wrapping up sensibly

When it comes to packaging in South Africa, the focus is not only on aesthetics but also being more eco friendly. Many brands are opting for eco-friendly materials to reduce their environmental impact.

Though South Africa is pushing forward in this trend, unfortunately it is not as easy as it sounds. While eco friendly cardboard is now prevalent in South Africa, biodegradable plastic is still a problem.

Science is continuously evolving to create eco friendly products, like edible plastics made from silk proteins and bioplastics and “there is much research and development that needs to be done before bioplastics become a popular packaging material in South Africa,” says Hentie van der Merwe from Darling Sweet. He further states ...



Hentie van der Merwe

“ Darling Sweet made the decision not to use any biodegradable cornstarch-based plastics in our packaging for the simple reason that there is currently no separate recycling stream for post-consumer biodegradable or compostable plastics in South Africa. ”

For several years they have been aggressively pursuing sustainable packaging alternatives.

“This means that while bio-degradable plastics are being imported into South Africa at great cost



to the environment due to the carbon footprint of such imports, these plastics cause more harm than good to local recycling efforts. There is also the misconception that consumers can simply put biodegradable plastics into the soil in their own back yard and it will decompose, but this is not the case.

For this reason, we only use packaging that is fully recyclable in South Africa. On our packaging we encourage consumers to recycle and also indicate recycling categories.”

Further afield, Nestlé is changing the packaging of its Kitkat bars. Rather than using plastic, the Nestlé brand is wrapping its chocolate treats in high strength paper. The packaging is fully recyclable. The initiative is predicted to save around 380 tonnes of plastic packaging annually. Nestlé has set a goal to reduce the use of virgin plastics by a third by 2025, which includes using less plastic, recycled plastic, and alternatives to plastic packaging.

By prioritising sustainable practices in packaging, South African sweet manufacturers are not only contributing to a healthier planet but also enhancing the overall consumer experience. Next time you indulge in your favourite chocolate or sweet treat, take a moment to read your packaging information and dispose of responsibly.

Halaal and Kosher

Another trend that is becoming more popular, is confectionery and sweets that cater to Halaal and Kosher consumers. Along with Caring Candies, whose goodies are Kosher and Halaal. Other South African trend setters like flowers.co.za and The Chocolate Tier have delectable chocolate, sweets and confectioneries that are setting the pace for this trend.

Quick pre-mixes

As life is racing by and the world seems to be spinning faster – when there are school runs to do, meetings to attend and traffic to contend with, delicious home made confectionery is thrown out the window when there are more pressing engagements.

But not all is lost, just pop a pre-mix in your trolley or order online a ready pre-mix of your favourite decadent bake and have the house smelling like a homely bakery in minutes, ready





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From raw materials sourced in one corner of the world to finished products reaching consumers in another, the journey is a testament to human ingenuity and collaborative effort which extends beyond the boundaries of individual organizations. Efficiency in motion is the cornerstone of successful supply chain management in today's hypercompetitive business environment. In an increasingly interconnected world, global supply chains play a pivotal role in driving economic growth, fostering innovation, and enriching lives. By leveraging data-driven insights, embracing lean principles, integrating technology solutions, digitizing processes, and fostering collaborative partnerships, companies can unlock new levels of efficiency and agility within their supply chains.

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to share with friends and family. Some firm favourites are Butterscotch Cake, Madeira Cake and American Brownies from South Bakels. Try a quick Crumpet Mix for a run out the door morning or a Salted Caramel Mug Cake for a cold winters night from Mesmerizing Mixes.

Value for money

Increased budget constraints for many families mean people are looking at better value for their money, resulting in increased promotion of sweets and chocolates holding strong in the local market.

As Moneyweb states, "The country's traditional trade (TT) sector is growing at a faster rate than the dominant modern trade (MT) sector as consumer shopping preferences change with lessening disposable income."

With imports of \$127million (2022) in chocolates alone, the trend is strong for people who are buying cheaper, imported chocolates and sweets.

Sustainability

When it comes to sustainability in the confectionery and sweets industry in South Africa, there is a growing awareness of the importance of ethical sourcing and production practices. From cocoa farms to candy factories, more companies are making efforts to reduce their environmental impact and support local communities.

Many chocolate producers in South Africa are now focusing on fair trade practices, ensuring that farmers receive a fair price for their crops and promoting social responsibility. By supporting sustainable farming methods, chocolate businesses like



Rhubee's are not only protecting the environment but also improving the livelihoods of those involved in the production process.



Julienne Prozesky & Alex Roberts

Rhubee's owners Julienne Prozesky and Alex Roberts say, "Fair trade and sustainability are important to us, so we are pleased that our chocolate is UTZ certified. This is the largest program for sustainable farming of coffee and cocoa in the world. The UTZ program addresses agricultural practices, social and living conditions, farm management, and the environment. In January 2018, UTZ officially merged with the Rainforest Alliance in response to the increasing challenges of deforestation, climate change, systemic poverty, and social inequality."

Another great company that is making a big difference is Lindt and Sprungli, with their Farming Program and their No-Deforestation & Agroforestry Action Plan

and Deforestation Policy. Their target is to ensure that they do not source any cocoa from protected areas and avoid conversion of valuable forest land for cocoa production in their supply chain by 2025.

As consumers become more conscious about where their food comes from and how it is produced, the demand for sustainably sourced confectionery and sweets continues to rise in South Africa. It's heartening to see this positive trend towards a more environmentally friendly approach within the confectionery industry!

Though inflation and world changes may be raising the price for our irresistible delectables, it is still a must buy for most people. The temptation is just too enticing! **SR**

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Vevey: Home to the Nestlé business
 Henri Nestlé began his business in the small Swiss lakeside town of Vevey. There was an abundance of fresh milk in the local area, which he used to start creating his infant cereal. A lot has changed since 1870, but Vevey is still home to Nestlé's global headquarters today.



A portrait of Henri Nestlé (1867)
 Henri Nestlé started as a pharmacist's apprentice. In the late 1860s, troubled by the high infant death rate, he used his scientific knowledge to create an infant formula. By the time he was 60, the Nestlé company was an international success, and his milk-based baby food, Farine Lactée, was being sold across five continents.

www.nestle.com/about/history/company-founder-henri-nestle



Meeting demand with milk deliveries
 In the early days of production, Henri Nestlé bought the milk he needed each morning.

By the summer of 1869, two years after launching Farine Lactée, this was no longer practical. He then decided to buy his supplies from a milk collection centre in a small village near Vevey. It was delivered by horse and cart direct to his factory.

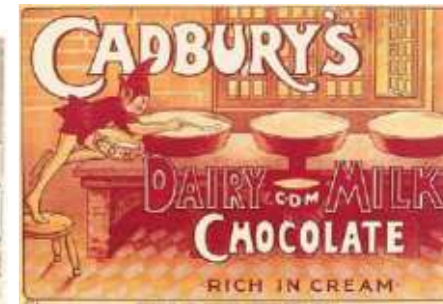


Clémentine Therese Nestlé (1867)
 Henri Nestlé's wife Clémentine played an important role in the development of the infant cereal business. As the daughter of a charity doctor, she recognised the potential of the new invention. Her great person commitment and dedication helped expand the family business far beyond the borders of Switzerland.

The Nestlé trademark (1868)
 Gifted with a strong instinct for marketing, Henri Nestlé recognised the importance of branding from the very beginning. His logo, which features baby birds being fed in a nest, was based on his family's crest. That initial image has been updated over the years, yet it still remains the recognisable and distinctive logo of Nestlé today.



www.cadbury.co.za/cadbury-story#



John Cadbury, Cadbury's founder



1938. The original Cadbury factory is completed in Port Elizabeth, South Africa. With the factory completed, the first moulded chocolate slabs started to roll off the production lines.



1950. The Cadbury factory expands
 The factory expansion included a new laboratory and an engineer's office. At this time the factory also started producing the highly successful Flake chocolate, which would soon become one of South Africa's favourites.



Sustainability

Cocoa is usually grown by smallholder farmers on farms averaging 2 to 4 hectares in size. It is found in hot and humid regions, mostly in West Africa (Côte d'Ivoire and Ghana), Latin America (Ecuador) and South East Asia (Indonesia). There are three main varieties of cocoa trees: Criollo, Trinitario and Forastero (Amelonado).

For a full description of the growing, harvesting, pod breaking, fermentation & drying, sourcing & marketing, packing & shipment, roasting & grinding processes, manufacturing & distribution – and right up to retail, go to ...

[https://worldcocoafoundation.org/from-bean-to-bar#:~:text=Growing%20Cocoa%20Trees,South%20East%20Asia%20\(Indonesia\).](https://worldcocoafoundation.org/from-bean-to-bar#:~:text=Growing%20Cocoa%20Trees,South%20East%20Asia%20(Indonesia).)



World Cocoa Foundation (WCF) and the Proforest logos



COCOA & FORESTS INITIATIVE (CFI) 2022 PROGRESS

National Reports for Côte d'Ivoire and Ghana

Unless otherwise stated, all information and photos on this page attributed to: <https://worldcocoafoundation.org>



CFI Signatories recommitted with a revised strategy and new multi-year plans until 2025

Satellite monitoring shows deforestation is not yet structurally declining



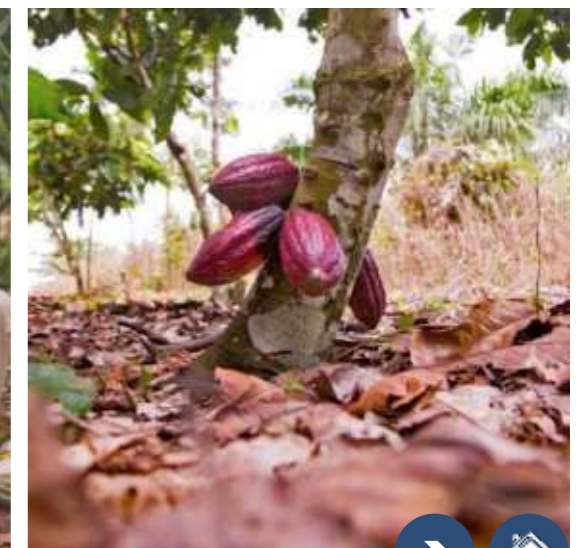
Lindt & Sprüngli: www.farming-program.com/en/

In Côte d'Ivoire and Ghana well over **100 000 Ha** of forests were restored

National traceability systems are piloted

12.4 million multipurpose tree seedlings distributed by industry

85% of direct supply traceable to plot level



Consumer spending and home loan demand led South Africa's credit market growth in Q1 2024



Photographer: Dean Hutton. www.bloomberg.com/

- Personal loans and retail instalment loans led growth in consumption-led credit products
- Demand for home loans continued to grow, driven by additional consumer liquidity needs and demand for affordable housing
- Improved performance indicated resiliency and opportunities for smart growth

According to TransUnion's (NYSE:TRU) Q1 2024 South Africa Industry Insights Report, consumers' credit appetite continued to grow despite the sustained high interest rate environment, as consumer confidence improved slightly during this quarter, along with lower inflation metrics in January and March. Originations – a measure of new accounts opened – saw the strongest Q1 2024 year-over-year (YoY) growth in personal loans – up by 20%. This was the third consecutive

quarter in which personal loans growth outpaced other consumer credit products.

Over the same period, retail instalment loan originations increased by 10%, and the average new loan amount increased by 14.5%.

Originations growth across consumption-led products was largely driven by Gen Z (born 1995–2010), especially as this youngest generation takes a bigger role in contributing to the labour market and credit economy.

Table 1: YoY Growth in Originations
Consumption-led Credit Products
(Q1 2023 vs Q1 2024)

Product	YoY Originations growth – all generations	YoY Originations growth – Gen Z
Credit card	3.3%	13.9%
Personal loan*	20.0%	57.0%
Clothing accounts	3.1%	1.5%
Retail revolving	4.9%	24.0%
Retail instalment	10.0%	34.2%

* Inclusive of both bank-issued and non-bank-issued personal loans

While clothing account originations volumes increased by 3.1% YoY, the average new clothing account limit increased by 27.8% YoY, leading to outstanding balances growth of 10.6% YoY. The significant increase in account limits indicates that lenders are responding to consumers' demand for more liquidity as they seek access to credit to fund their needs for the myriad of items available via

clothing accounts, including mobile devices and electronics, appliances and homeware.

Growth observed in the clothing account market has been amplified by consumers facing higher living costs, which are increasing at a faster pace than their income, especially as inflation remains on the higher end of the Reserve Bank's targeted range of 3% to 6%.

According to TransUnion's Q2 2024 Consumer Pulse survey, 77% of consumers said that one of their three biggest concerns was inflation for everyday goods such as groceries and fuel, with 55% saying that they were worried about interest rates and 52% saying that they were concerned about jobs.

Lee Naik, CEO of TransUnion Africa said ...



Lee Naik

“Lenders seeking to maximise opportunity in the current economic environment will win the loyalty of resilient consumers by offering agile financial solutions that provide flexibility

for their consumption needs. South African consumers remained resilient through the first quarter of 2024, keeping up with their payments and leveraging their access to credit to maintain liquidity.”





Image by Visuel Colonie, www.canva.com

Demand for home loans stayed strong

The volume of home loan originations increased by 6.7% YoY in Q1 2024, although average new loan amounts decreased by 6.2% over the same period, indicating an uptick in the more affordable sectors of the South African property market, driven in part by first-time home buyers. This is supported by a 9% YoY growth in the number of below prime home loans being originated during Q1 2024, while new home loans in prime and above risk tiers fell by 10% YoY. Furthermore, the quarter saw a 32% YoY growth in originations among Gen Z consumers, resulting in this group holding 9.2% of new mortgages.

According to a recent report, affordable housing accounted for 36% of property sales in 2023, with this segment representing 50% of registered properties valued at R750 000 or less.

While new loan amounts have shrunk, total outstanding home loan balances increased by

7.6% YoY, implying that existing home loan borrowers are leveraging their home equity for liquidity. Consumers are likely drawing on their existing home loans due to more favourable interest rates relative to the cost of new credit issuance across consumption-led products. Simultaneously, home loan delinquencies deteriorated by 140 basis points YoY, alerting lenders to adopt a more active approach to anticipating and managing delinquencies that may arise from consumers who may be experiencing a payment shock due to high interest rates.

Table 2: Summary of Q1 2024 Metrics for Major Consumer Credit Products

Product	YoY % Change in Total Outstanding Balances	Serious Account Delinquency Rate*	YoY Basis Points (bps) Change in Delinquency Rate
Credit card	+10.8%	12.5%	-30 bps
Personal loans**	+1.8%	31.4%	-250 bps
Home loans	+7.6%	7.2%	+140 bps
Vehicle asset finance	+3.5%	5.4%	+20bps
Clothing accounts	+10.6%	28.9%	-80 bps
Retail revolving	+9.0%	18.4%	-310 bps
Retail instalment	+11.9%	28.5%	-240 bps

* Account-level serious delinquency rate, measured as a percentage of accounts three or more months in arrears

** Includes both bank-issued, and non-bank issued personal loans

South Africans continued to demonstrate resiliency

Despite the uptick in home loan delinquencies, and a more muted uptick in vehicle finance delinquencies, South African consumers' credit performance for consumption-driven products improved during Q1 2024, with delinquency rates improving across all unsecured credit products.

Lenders appear to be prioritising lower-risk consumers for personal loans, with the number of loans granted to consumers in the prime and near prime risk tiers having increased by 5.5% YoY, continuing a trend for the third consecutive quarter.

This lender focus on lower-risk personal loan borrowers has likely driven the 250 basis point YoY improvement in delinquencies for this product. Credit cards continue to attract the digital natives, i.e. Gen Z consumers, seeking convenience and liquidity, who are prioritising their payments on their cards in order to maintain credit access, contributing to improved portfolio performance.

“Within South Africa’s financial landscape, lenders must navigate a delicate balance between finding opportunities for growth and extending financial inclusion to consumers and managing the emerging risks in the current economic climate,” said Naik. “Many consumers also face

the challenge of leveraging the credit available to them so that they can meet their consumption needs and improve their living standards, while managing their commitments responsibly.”

“To drive sustainable and smart growth, lenders need to leverage enhanced credit and alternative data to find and fund good consumers, predict delinquencies early and build consumer trust. 