

The Times Sowetan

# 2010 RETAIL *Towards*



Invaluable  
tool for retail  
**marketing**

page 2...

Retail **Grand Prix**  
Award: KFC's plans  
are ambitious

page 3...

The category  
**winners** at a  
glance

page 11...





## Invaluable tool for retail marketing

Retailers assessed in 34 categories.

**SURVEY 2010: AVUSA MEDIA**

As Avusa Media marks the third year of its Retail Survey – for a second time in partnership with TNS Research Surveys – never has the survey been more important than it is now, given the tough economic climate, says Enver Groenewald, general manager: Advertising Revenue and Strategic Communications at Avusa.

“This year, as consumers continue to feel the pressure of the recession, results will indicate which retailers the consumers believe have stuck by them through thick and thin,” he says.

The retail sector is a significant one for Avusa, equally from reader, commercial and general business perspectives, assisting the company in gauging the level of household spend, advertising spend and as a key indicator of the country’s economic performance. And in this highly competitive period of economic recovery, the Retail Survey, commissioned by *The Times* and

*Sowetan*, is an invaluable tool for retail marketing.

This premier body of research on how retailers have fared in a given year is based on an independent study of consumer ratings. It gives the market insight into consumer perception of retailers, and reflects consumer experience of retailers in 34 categories. These range from food and drink, clothing and shoes, to specialist outlets such as health and beauty, furniture, jewellery and auto fitment centres. Also included are retail benefit programmes, shopping centres and, of course, the coveted Grand Prix Award for the top retail outlet of 2010.

Analysis of the survey will reveal what sets the winners apart, and give a clear indication of the retailing state of play in South Africa.

“There is no greater recognition that consumers can give than to continue to support a company when times are tough,” Groenewald says. “And consumers want affirmation that the decision they have made has been correct.”

## Information shift

*Value-savvy consumers are changing the face of shopping.*

**ANALYSIS: RETAILING IN A RECESSION**

Report by David Jackson

While the ongoing economic recession has led to a national surge of belt-tightening and price-consciousness, there is growing evidence that a new generation of “value-savvy” consumers has emerged – and that shopping will never be the same again.

Spotting bargains at the right price, it seems, is not the only game in town. And those companies alert enough to tag onto this new trend are the ones more likely to reap dividends in the long run.

The rise of technology in the information and digital age is fundamentally changing the way consumers think, according to Stephen Factor, MD, Global Consumer Sector and Global Clients for TNS. He says that, seen from a historical perspective, recession is a “cyclical reality”. But, this apart, changing patterns in consumer behaviour and retailing are being driven by technology and the interactivity of the digital world. “This is a change for the long term and not a cyclical issue.

“We are seeing a huge rise in interest by our international FMCG (fast moving consumer goods) clients in shopper optimisation – what we call in-store activation. People now understand that if the impact of media on sales is becoming fragmented and dissipated, then the idea of the store as a core place for communication and for developing brand equity and building awareness is becoming an increasingly important aspect.

“There is a growing awareness that sophistication of in-store management is a critical component and a much bigger part of the way companies manage their brands than ever before.”

He suggests that these new shifts in consumer attitudes may not be a recession issue as such, but more a reflection of how consumer behaviour has been changed by the society and the environment in which we work and live.

“There is much more at issue about elements of authenticity, about consumers being much more marketing-savvy – and having much more access to information.”

The issue “is no longer just about price, but about value – and it’s about authenticity and honesty”. Companies which are really providing value are the ones that are being successful.

Kay Walsh, senior economist: Economics Advisory with Deloitte Consulting in SA, says: “In a recession, you tend to have low inflation, as is currently the case. In this environment, retailers often find that their margins come under pressure .... and with inflation coming down, people simply won’t accept higher prices, so the margins tend to be squeezed.

“In this environment, it’s higher-volume businesses and higher-volume, lower-margin retailers that tend to do rather better.”

Retailers may fare better in a segment that is more “defensive”, such as food or insurance, but will reduce spending on discretionary purchases.

## Innovative thinking refined

*More useful marketing insights gained.*

**TNS RESEARCH SURVEYS: THE METHODOLOGY**

Report by Neil Higgs

2010 brings the third year of the Times/Sowetan Retail Survey to fruition and the second successful year in partnership with TNS Research Surveys.

The study this year used a slightly refined version of the new approach adopted last year. This looks at a retailer’s penetration in the marketplace, while also examining its relative strength among its users and its relative attraction among non-users – the concept of relative advantage. This was accomplished by asking three questions:

1. Outlets used within a defined time period (this period differed for each category)
2. Outlet with which people were familiar enough to rate them on a 10-point scale
3. The actual rating of all those outlets on a 10-point scale

The index comes from three variables derived from the questions above: the actual usage of an outlet in a specified time period, the rating it receives from its users relative to other retailers in the category, and the rating it receives from those non-users aware of it, also relative to competitors in the category. The non-user rating carries only half the weight of the user rating in the final algorithm.

The final index can be thought of as the outlet’s standing in both the marketplace and in people’s heads. This is in line with the latest thinking that

brand equity is a function of both Power in the Mind and Power in the Market, coupled with the view that one must always take the attraction of competitors into account in any assessment of brand equity.

### How a retailer can win

A retailer can be a winner in one of three situations:

1. If it is big AND rated above average by both its users and its non-users.
2. If it is truly big but perhaps only rated as average by its users and non-users.
3. It is smaller but very well loved by its users and its non-users.

### The sample represents all South African adults

The sample was 3 500 adults aged 18 years and over, and was skewed to metro dwellers and high-income people to allow some smaller upper-end outlets to have a sufficient representation for analysis. However, the final results have been weighted to represent the population according to StatsSA 2009 mid-year population estimates. The study is representative of all adults across the country and is a relatively large sample.

### Why is this approach more useful?

Most brands have a good sense of their relative size – publicising this is good for the ego, but not much else. The approach adopted by TNS Research Surveys allows more useful marketing insights to be gained: a retailer can assess by how much more, or less, its users rate it compared with the average – a heads-up for some outlets, as well as an indication



of the relative commitment people have to a brand.

Similarly, by looking at the non-user ratings, some idea of a retailer’s relative “pull” among its non-users is gained. This is a good indication of its relative ability to attract new users. Comparing usership and these two ratings data tells marketers much about their relative power in the mind vs their power in the market.

– Higgs is director: Innovation and Development at TNS Research Surveys.



# Grand Prix award for KFC again

Prospects are good, plans are ambitious.

## RETAIL GRAND PRIX AWARD

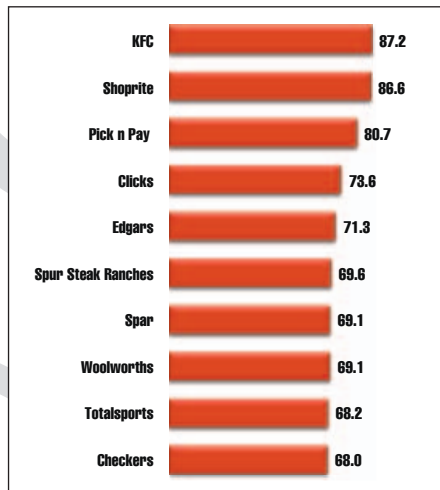
Report by Alf James

**K**FC is in the business of customer satisfaction, according to David Timm, chief marketing officer at YUM! Restaurants Africa.

KFC Corporation, a subsidiary of Yum! Brands, has more than 15 000 KFC outlets in 109 countries and territories around the world serving some 12-million customers each day.

On the reasons for the company's success during the last year, Timm says: "In tough economic times, we have continued to both invest in the brand as well as focus on value offers at a time when our consumers need it most. Additionally, we have continued to invest in new layers and occasions to broaden our appeal, and to generate greater returns on our assets."

Further contributing factors to KFC's success, according to Timm, are the



quality of the freshly prepared chicken; KFC's size and heritage; an innovation stream based on consumer need; and a commitment to providing a superior experience for customers.

He says the chicken-restaurant chain's success is sustainable through a combination of brand strength, a values-based strategy that incorporates its very

successful "Add Hope" initiative and the recently acquired mini-cricket property.

"At the end of the day, consumers buy brands over products. With KFC we have a marriage of brand and product that is extremely desirable and difficult to copy. Generally great brands are built on great products, and KFC is a leading example of this."

Pricing is also important. "In a highly competitive market and tough economic times, pricing can make or break you."

"We strive to put the consumer first and to ensure we have offers that reflect their economic realities, while also ensuring that we have a balanced portfolio of products to drive margin and ensure returns for our franchise partners."

KFC is a face-to-face business. "The interaction we have with our customers is as important as the products we serve."

"KFC has a very unique culture that is carefully managed. We fundamentally believe in the quality of our people and that, by focusing on people's strengths, it brings out the best in them. As such, we invest heavily in our staff and place emphasis on training and development."

Despite a tough and growing competitive landscape, Timm contends that as market leaders, KFC is continually challenged with driving growth through building and expanding the market.

"Our prospects are good and our plans are ambitious. We are confident



that we will continue to play a leadership role in Africa for years to come," he concludes.

At Pick n Pay *you* come first.

Your needs inspire us to find ways to make your life easier every day, from fresh approaches to store design to new product ranges.

So we want to say a HUGE thank you for your support and encouragement.

You make us work even harder to bring you the Pick n Pay shopping experience, the quality brands you want and the value you rely on.

**Pick n Pay**

Inspired by you

We love to hear from you! Follow us on Twitter @PicknPay, join our Facebook fan page or visit our website [www.picknpay.co.za](http://www.picknpay.co.za) and join our Fresh Living community.



## *Clear* brand message from SHOPRITE

*Shoprite sweeps the boards in all five categories.*

**CATEGORY: SUPERMARKETS AND HYPERMARKETS - OVERALL CUSTOMER EXPERIENCE**

Report by Andrew Gillingham

Shoprite swept the supermarket/grocery boards in this year's Retail Awards, taking first place in all five categories, namely overall customer experience, supermarkets and hypermarkets, as well as stores used for monthly, daily and weekly shopping.

Neil Higgs, director of innovation and development at TNS Research Surveys, says that Shoprite's large number of stores helps it in the survey. "The national supermarket chain has a huge footprint and it dominates every category in terms of the number of people using its stores.

"Although Shoprite gets above average ratings, sometimes other grocery chains such as Woolworths or Pick n Pay get better scores, but even in such cases, its sheer size carries it over the finish line to take the chequered flag," he says.

"Shoprite takes first place in all the categories, then there is a scramble among its competitors for second, third and fourth places, between Woolworths, Pick n Pay and Spar," Higgs says.

Pick n Pay took second place in the overall customer experience category, followed by Spar, Checkers, Boxer, Woolworths and Game. "Pick n Pay does well in all its ratings, but it does not have as many stores as Shoprite. In addition, Pick n Pay has a good pull among non-users who aspire to shop in its stores."

Shoprite's "Lower prices you can trust, always" is a simple, clear brand message to its customers that resonates with all consumers, particularly when

they are under the financial strain caused by recession.

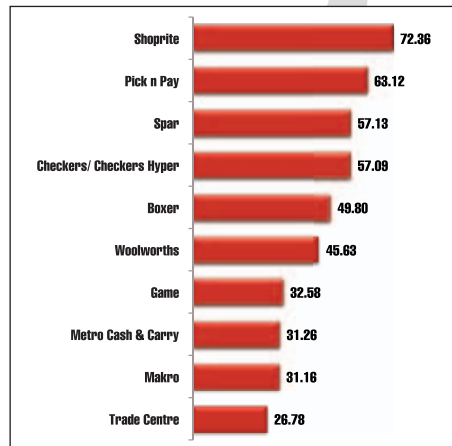
Neil Schreuder, marketing director at Shoprite, says that the company's stores serve the mass middle market, predominantly LSMs 4-7, and the retailer now has more consumers than any other supermarket brand, with 16 million individuals now frequenting Shoprite stores.

"Price is critically important to this core market, since food makes up a significantly larger proportion of their disposable income than more affluent consumers, and the cost of food directly impacts on the quality of their daily lives. Therefore, Shoprite needs to be relentlessly competitive on pricing the big brands to ensure our markets' needs are always met.

"Our corporate philosophy is built on continuously looking for more cost-efficient ways to do business, ultimately resulting in savings for consumers. We really deliver on the promise of everyday low prices and we go beyond the notion of a quick price gimmick," Schreuder says.

At the same time, with over 395 Shoprite stores, ensuring that every customer has the same satisfying in-store experience every time they shop with us is extremely challenging. "However, our prices are centrally coordinated and administered, ensuring that every customer has access to the same low prices anywhere in the country."

Reaching every one of the retailer's



diverse 16 million shopper base requires a sophisticated approach to mass marketing. Awareness is maintained via a constant 360 degree marketing presence, including print media, TV, radio, daily newspaper, direct mail, outdoor, activations and public relations every week of the year, with no periods of advertising downtime.

"The core brand proposition of everyday low prices on the brands that consumers love has transcended time and trends. As long as we remain true to the promise of being the lowest-priced supermarket, consumers will remain true to us," Schreuder says.

Value becomes more important to more people during recessionary periods, increasing the relevance of the retailer's brand promise. "However, the tone in which we communicate becomes more rational, as the tougher realities consumers are experiencing are taken into account.

"Empathising with what consumers are experiencing means actually showing customers how to save money in your store by shopping smartly," Schreuder adds.

## Private labels a rising trend

*Price advertising is not as dominant as in the past.*

**ANALYSIS: BRAND MARKETING**

Report by Andrew Gillingham

Brand marketing, particularly in supermarkets and grocery stores, is gaining increasing momentum.

Neil Higgs, director of innovation and development at TNS Research Surveys, says that while price advertising is still very evident, it is not as dominant as in the past.

"We are seeing a trend towards advertising the brand and communicating the brand's stance in the market. Checkers, for example, is emphasising its wine and cheese range, seeking to position itself in a more upmarket space," Higgs says.

Woolworths has been focused in the organic grocery segment for some time, and the retailer has also sought to broaden its appeal by highlighting its "meals for under R100". In addition, the company has taken its organics approach into its clothing departments.

All retailers survey their markets and establish the products on which consumers tend to evaluate value. However, as retailers will tend to arrive at roughly the same mix of product lines, their pricing advertisements tend to focus on the same products. "Price advertising does not build any kind of loyalty to the brand," Higgs says. "Price advertising is necessary to build the perception of value but, as everyone is doing the same, it does not serve to differentiate the brand in the marketplace."

Within this overall trend, there is a sub-trend towards developing more in-house brands. "Clicks has developed a number of in-house branded products and Pick n Pay is stepping up its efforts. Pick n Pay has stocked its No Name brand for many years, but now it has introduced a second, more premium house brand: the PnP brand. Woolworths has always been very dominant in the private label arena and it has a very high proportion of own-branded products," Higgs says.

This is very much in line with international trends, where the proportion of private label goods is on the increase.

Bronwen Rohland, marketing director at Pick n Pay, says that there is high brand equity in Pick n Pay as a retailer, so consumers are ready to trust their private label branded products. "The other benefit of private-label products is that the brand marketing costs usually associated with national brands are not nearly as high," Rohland says.

Neil Schreuder, marketing director at Shoprite, adds that the basic premise of private labels or in-house brands (Shoprite's house brand is named Ritebrand) is that consumers get a good-quality product at a lower price than the market-leading brand in a category, as the cost of any brand collateral is removed.

"Shoprite's house brand is based on being the cheapest in every category; convincing consumers to pay only for the product that is inside the packaging and nothing else," Schreuder says.

## PICK N PAY listens to customer research

*Stronger focus on quality and fresh products brings good growth.*

**ANALYSIS: BRAND EQUITY**

Report by Andrew Gillingham

When Pick n Pay underwent its extensive rebranding exercise three years ago, it built its new strategy on six pillars, with the first two focusing on its customers.

Bronwen Rohland, marketing director at Pick n Pay, says that, given that customers are the foundation of the retailer's business, considerable time, effort and money went into the research required to determine not only what consumers thought of Pick n Pay, but also identifying areas that customers felt could be improved.

She says that this process revealed that Pick n Pay has built considerable brand equity with its customers and that they literally "love" the brand. However, the research showed that they also wanted the retailer to provide improved quality and a stronger focus on fresh products.

"We looked at our range and have subsequently evolved it in line with our customers' wishes, while making sure

we deliver consistently on quality and availability, and ensure that our products continue to offer real value for money," Rohland says.

"We are seeing good growth, particularly with regard to fresh produce, and this is showing us that we are getting it right in terms of product quality, rebranding and availability.

"Convenience and prepared foods are also showing exceptional growth, and the increased demand for bakery products is incredible. This trend is as a result of Pick n Pay developing centralised supply and working with emerging bakers who act as our support bakeries.

"Pick n Pay has introduced a range of PnP-branded deli products, and we are finding good opportunities to bring down product costs for our customers and increase sales volumes," Rohland says.

The growth achieved in these product lines has not been matched in every area of the fresh business.

Although Pick n Pay's butchery has remained stable, there is a customer trend towards eating more white meat and chicken, possibly due to the economic climate. In the cheese category, there has been significant price deflation, which has resulted in reduced revenues, despite volumes being maintained.

While the company is making good progress in achieving its objectives, trading conditions due to the economic climate remain challenging. "People are being very cautious about how much they spend.

"In the general merchandise, non-food category, consumers are reluctant to replace appliances unless it becomes a necessity. However, we are seeing good growth in our clothing business.

"In the food business, we are operating in a deflationary environment and we have to improve volumes to maintain or increase revenue. In addition, consumers are buying down and reducing the number of premium brands in their shopping baskets, which is reducing the brand value of their purchases," Rohland says.

She adds that, in the past, consumers tended to stick with tried and trusted brands, even premium brands. However, this trend has changed, probably due to the severity of the economic downturn.

"The world is not going to emerge from the recession in the same state. Consumer trends have changed and are likely to continue. People re-examined their purchasing behaviour during the recession and questioned the necessity of certain purchasing decisions."



# Female-friendly liquor stores are TOPS

Following its success last year, Tops at Spar wins the new combined category.

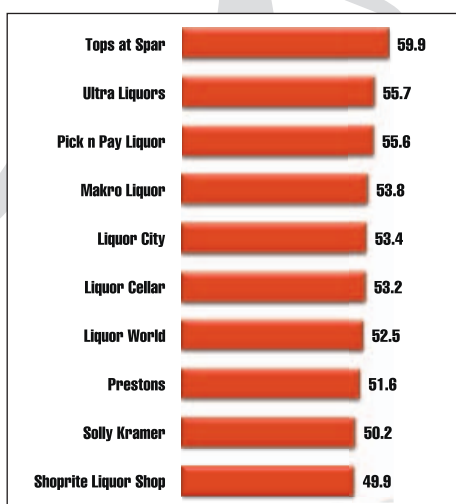
## CATEGORY: LIQUOR STORES

Report by Alf James

With 456 stores, Tops at Spar is the biggest of all South African convenience liquor-store chains. According to Ray Edwards, group brand manager at the national liquor store chain, besides being number one in store numbers, Tops is number one in turnover and number one in media spend.

He says the economic downturn and recessionary conditions have not affected the company at all. "We have not suffered in the slightest; in fact, we are very happy with our growth and are looking forward to even better times."

Spar's 2009 annual report backs Edwards' contention: Tops enjoyed another excellent year, with 75 new stores opening in 2009. Edwards says Tops' success is based on the group's identifying the need for clean, well-lit,



supermarket-style liquor stores that address the consumers' desire for comfortable, safe shopping, and deliver stores that are not embarrassing for females to be seen in.

"Tops' female-friendly convenient liquor stores provide competitive pricing, a wide range and exclusive brands, all conveniently situated in the



neighbourhood sector. Since the food offerings are provided by Spar, and the liquor requirements are provided by Tops, the need for consumers to shop elsewhere is eliminated, which is the reason why the store's locations are seen as crucial to the liquor chain's success."

Edwards says consumers are time-poor, and this trend will become more acute as time goes by. "We expect the market to shift from destination shopping to convenience shopping over the next decade."

The group reports that Tops' exclusive brands continued to perform well during 2009. Retail selling space increased by 23,6% to 59 572 square metres. Wholesale liquor turnover topped R1,7-billion and grew 32,5% year on year.

The group anticipates a solid trading performance for 2010, opening 35 stores – this notwithstanding that the issuing of liquor licences remains erratic in some regions.

"We believe we are now the biggest liquor retailer in South Africa. We strive to be first to market with new ideas and new offerings. Our brand is paramount, and we are brand-driven alongside product and price."

Edwards says employees' skills levels are also integral to the company's success. "Training in specific product categories such as malt whisky is a priority to us. Tops strives to stay ahead of the game, instilling in our staff a sense of pride in their brand, and always looking for fun, new ways to excite the consumer," he concludes.

## Nominated for Sunday Times Retail Awards

We at Fruit & Veg City have been nominated by our customers for the 2010 Sunday Times Retailer Awards in the following categories: "Convenience Grocery Stores", "Monthly Shop", "Weekly Shop" & "More Than 1 Week Shop".

Thank you to all our loyal customers for the nomination to qualify for the 2010 Sunday Times Retail Awards!



Amazing Juice  
1L Cartons  
Assorted



Freshers  
Cordials  
Syrup  
750ml  
Assorted



Freshers  
Bublz  
Assorted  
2L



Conti  
Reale  
Balsamic  
Vinegar  
(white or  
black)  
500ml



Freshers  
Peach  
Halves  
in syrup  
825g



Freshers  
Bailer  
Chips  
12x30g



Pagani Tortellini  
Assorted 250g



Gnocci Fattora Di  
Patata 500g



Freshers Salad  
Dressings,  
Tomato Sauce or  
Mustard  
300ml



HAMILTONS 230910 • NO HAWKERS • NO TRADERS • WE RESERVE THE RIGHT TO LIMIT QUANTITIES • E&OE

**ESSENTIALS**  
FOR CONVENIENT SHOPPING

VALID FROM: FRIDAY 08 - SUNDAY 16 OCTOBER



# Large footprint gives EDGARS the edge

.. as Jet makes good gains.

CATEGORY: MEN CLOTHING STORES AND WOMEN CLOTHING STORES

Report by Andrew Gillingham

South African retailers have been hard hit by falling sales during the recession, but as the recovery progresses, so consumers are taking a more positive stance.

Stephen Ross, CEO of Edcon Group, says that Edgars – as one of South Africa’s top retailers – is seeing consumers become more confident about the future.

“In our business we get a report card every day showing the sales by department for each store. We can form a view fairly early on when consumers’ appetites are beginning to strengthen. It also reflects in our credit book, as we can see bad debt levels coming down and consumers starting to pay off more on their accounts,” Ross says.

As a family department store, Edgars caters for men, women and children with a variety of merchandise including apparel, footwear, cosmetics, accessories and items for the home.

“Edgars targets middle-income South African consumers, meeting their needs through an array of branded products, as well as good-value, well-priced essential products under Edgars’ house brands.”

According to Ross, Edgars had been through several strong years prior to the downturn, and when the recession hit, the retailer went through a process of re-examination, looking at structures, department allocations and overheads. Another aspect was to consider what Edgars’ customers were experiencing and feeling.

“Recession affects customers and they cannot afford to pay or buy as much as in the past. However, we were carrying structures that needed to be pared back, so we could continue to meet our customers’ pricing needs,” he says.

The situation was complicated still further by elements such as exchange

rate fluctuations and commodity price increases. The level of consumer credit was yet another issue. “We are a credit retailer. Nationally there was a credit bubble and bad debt rates started to increase as consumers came under pressure. South Africa lost a million jobs, which had a severe impact on families and their budgets. As retailers we have to be responsive and ask ourselves how we can help our customers.”

Ross says that, in responding to consumer needs, buying comes under the spotlight and retailers have to walk a fine line between price and the relative value of their products.

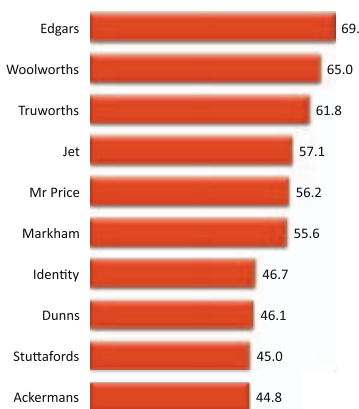
Edgars took the approach of retaining quality but cutting down on non-essentials. In addition, Edgars’ good, better, best product strategy meant that consumers could buy down the ladder while still shopping in the company’s stores. Therefore, to cater for consumers’ changing needs, Edgars raised its investment in products at lower price points.

Another shift in approach occurred in Edgars’ stores, and the sharper focus on keeping down costs brought the company additional advantages. A good example is the company’s Melrose Arch store, where the capital investment level was very reasonable by retailing standards. In addition, the store is very proactive in terms of its efficient use of electricity.

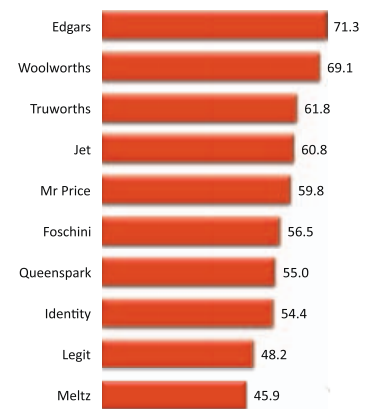
“The type and positioning of the lights, as well as the way we built the store, will save us a significant amount of money. The fixtures cost us the same or even less than usual, and gave us additional capacity on the floor.” Ross says that the lessons learned in the design at Melrose Arch have been carried forward into Edgars’ new stores, store expansions and revamps, such as



Men Clothing stores



Women Clothing Stores



its store in Cresta.

Given the care and effort that Edgars puts into its brand, it is hardly surprising that South African consumers have responded positively.

Neil Higgs, director of innovation and development at TNS Research Surveys, says that in the men’s clothing category, Edgars dominates, as its large footprint means that so many South Africans shop in the company’s stores.

“Edgars gets good scores from users and non-users, but it is its high usage among consumers that really outstrips its competition, with some 23% of people shopping at Edgars for men’s clothing,” Higgs says.

Woolworths came in second this year, although its footprint is significantly smaller, as its ratings are very good. Truworths took third place and Jet was fourth.

“Last year, user scores were a

weakness for Woolworths. However, the company must have acted to correct the situation, as its user ratings were much higher,” Higgs says.

Edgars also took first place in the women’s clothing category, but not because it is the largest – in fact, Jet is. However, Jet’s user scores let it down when it came to dominating the women’s clothing category. “Edgars’ user scores are particularly good and Jet’s are average,” Higgs says.

Woolworths came in second in women’s clothing, despite having only a 9% usage, as its consumer user and non-user scores were very good.

“Woolworths has significantly improved its clothing and consumers have noticed,” Higgs says.

Truworths won third place in consumer hearts and Jet, although it is the largest retailer in this segment, took fourth, with Mr Price in fifth.

## House & Home gets the Thumbs Up

At House & Home, we strive to exceed our customer’s expectations by providing them with more than just a service. Our valuable deals are testimony to this, as any House & Home customer will tell you. We would like to thank all our customers, those that we know and those that we’re still going to get to know for their unwavering support. We wouldn’t be where we are without you. Thank you from the bottom of our hearts and we will continue to make our customers feel at home at House & Home.



# Customers put their trust in WOOLWORTHS

Brand talks to quality and sustainability.

CATEGORY: CHILDREN CLOTHING STORES AND BABY CLOTHING STORES

Report by Alf James

The Woolworths brand ethos drives and guides the retail group in all it delivers, according to Shaheda Sayed, head of brand communications: clothing, beauty and franchise at Woolworths.

“Not only does our brand talk to our fanatical delivery of high-quality standards, but also about the way we deliver – supporting local industry, organic cotton, sustainable farming, energy reduction, to name a few.

“Our unwavering commitment to our values is the basis of the trust our customers have in our brand,” says Sayed. She contends that as the only store of its kind in South Africa, Woolworths aims to deliver clothing, food, homeware, beauty and financial services products that are of the highest quality, yet surprisingly affordable.

“Woolworths does this by consistently remaining true to its core

values of quality and style, value, integrity, innovation, service, energy and sustainability, and delivering on its promise of ‘the difference’.”

Amanda Bromfield, buying group head of kidswear at Woolworths, believes that the success of the Woolworths children’s and baby business is built on a deep understanding of customers and knowing what their needs are at every age and for every event.

“Our aim is to deliver a complete ‘baby and kids world’ that addresses all the needs of parents with babies and small children.

“In addition to a full range of clothing, we have expanded our children’s offering, in an exclusive arrangement, to include a range of specialist Early Learning Centre educational toys designed to help with development, as well as the international brand Mothercare, to extend our offering



to include items such as car seats, prams and cots,” explains Bromfield.

She informs that the retailer’s food technologists have created a range of fresh organic baby foods and have expanded the range for younger children with a focus on healthy nutrition.

“Our beauty team recently launched a skincare range for babies and children. We also run a customer club, Littleworld, for parents of babies and small children as well as parents-to-be.”

She adds: “In addition to our rigorous quality standards, all baby and children’s garments are made to the highest safety specifications; for instance, we have stringent specifications in place to avoid

choking hazards and we use only nickel-free trims to prevent the chance of skin irritation, to mention just two.

“Furthermore, no pins may be used in the manufacturing of our babywear, and all kidswear product goes through metal detectors before leaving the factory to ensure that there is nothing in the garment that could harm the child.

“Woolworths is a customer-centric, forward-thinking organisation that delivers to customer needs creatively through innovation and adherence to our values. Our biggest challenge is to continue offering high-quality merchandise at great prices – in other words, unbeatable value,” concludes Bromfield.

# THANK YOU

**FOR YOUR VOTE,  
SOUTH AFRICA**  
Your loyalty and support  
proves that success never  
goes out of fashion.

OWN YOUR LOOK



**Edgars**



# Shoppers opt for MENLYN PARK

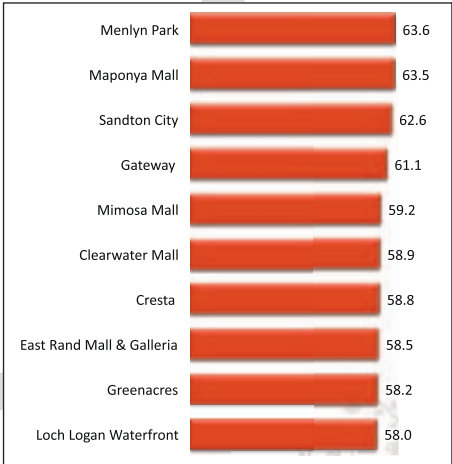
Menlyn Park leads Maponya Mall – by a whisker.

CATEGORY: SHOPPING CENTRES  
Report by David Jackson

A nice modern shopping “vibe” in a spacious and airy mall environment – along with freedom from traffic hassles and ease of parking and access – are among the attractions which typically come up trumps for today’s demanding and discerning shoppers.

This was demonstrated once again this year with Menlyn Park Shopping Centre in Pretoria edging out its competitors in the category Shopping Centres – a short head in front of nearest rival, Maponya Shopping Mall in Soweto.

According to Neil Higgs, director of Innovation and Development for TNS Research Surveys, Maponya Mall had the highest number of users overall, but its score in terms of how people rated the centre was just slightly below Menlyn Park. Menlyn Park Shopping Centre won by the narrowest of margins, scoring 9 out of 10. This compared with the average across all shopping centres of



8,2, with Maponya Mall achieving 8,9.

“The two were neck and neck, with only a 0,1 difference on the index score. These were both two very worthy contenders,” says Higgs. “This indicates that both centres are providing a particularly good shopping environment.”

Indeed, the fact that Maponya is doing so well is believed to be one of the factors behind the decision by many so-called “black diamonds” to switch from mall shopping in white suburbs and

electing to shop in Soweto at Maponya Mall instead. “More of them are opting to shop in Soweto because facilities at Maponya are really as good as anywhere else ... whereas many used to shop at Southgate Mall, or would travel all the way to Sandton City.”

Sandton City came third this year, down from second place last year.

Higgs adds that Menlyn tends to typify the new breed of shopping centre in SA. Clearwater Mall, west of Johannesburg – a relatively small centre by comparison – also fared quite well this year, although not in the top three.

“Again, it is one of the modern malls designed in the new style, whereas a centre such as Westgate, which is now seen by some as being relatively old-fashioned, did not feature in the top 10 this year.

“Sandton City did not do badly in the ratings, but its usership level fell and, considering its catchment area, this is quite revealing. What appears to be happening is that the newer malls are having an impact, being modern and in the new style. Quite a few of these are springing up and people are tending to visit them instead, not travelling the long



distances to frequent the longer-established shopping centres.”

Ease of access and the availability of parking are other critical factors determining shoppers’ choice of shopping centres.

Says Annah Moremela, PR/marketing assistant for Menlyn Park Shopping Centre: “We are grateful that we are so highly rated among our customers. We strive to maintain our position as the best shopping centre in South Africa, as voted by shoppers. We aim to exceed expectations in variety, fashion, entertainment and service.”

Look & Listen  
For the Fans

“WOW! THIS IS SO UNEXPECTED.

We just wanna thank the amazing artists we’ve been so fortunate to work with. Steve, James, Spike... it’s been real. The Sunday Times Retail Awards, it’s an honour just to be nominated. This is so crazy man! Whooo! We’ve had our ups and downs, Brit, Lindsay, Mel you know what I’m talking about. Who am I forgetting? Loyiso, Danny, Brad, Ange you’ve been amazing. Oh, and of course the fans!

**WE COULDN’T HAVE DONE IT WITHOUT THE FANS.**

Bless you.”

# Best user score for TIGER WHEEL AND TYRE

Perceptions are the critical indicator.

CATEGORY: TYRE AND AUTO FITMENT CENTRES  
Report by Andrew Gillingham

Tyre and auto fitment centres tend to have a relatively low level of usage when compared to other retail segments.

Tiger Wheel and Tyre wins out in terms of usage, with 5% of consumers surveyed using the company’s outlets. Hi-Q and Supa Quick have 4% each, with the other market participants having 2%.

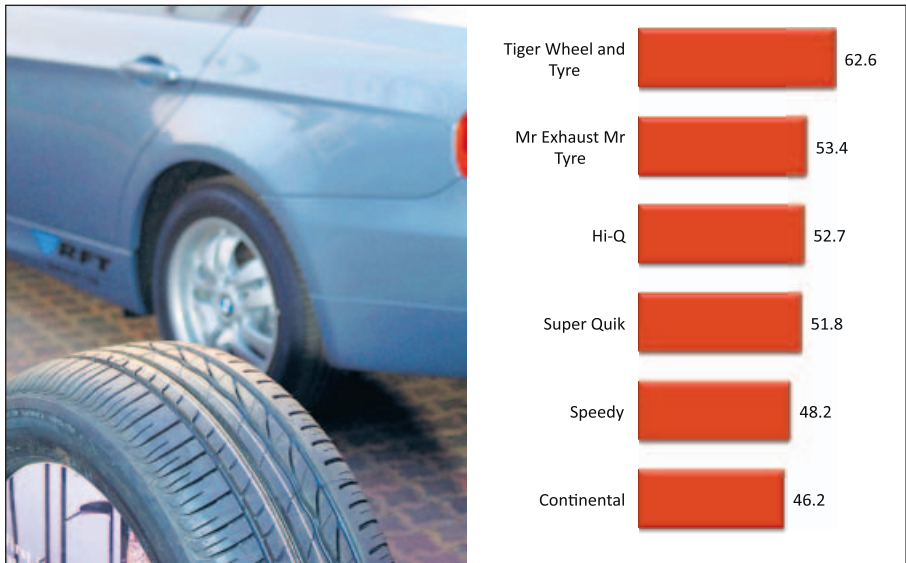
Neil Higgs, director of innovation and development at TNS Research Surveys, says that while most categories are assessed on a national basis, the wheel and tyre category is

surveyed only in metropolitan areas.

“While Tiger Wheel and Tyre has a slightly larger footprint, it is perception among users and non-users that has driven the result. Tiger Wheel and Tyre won the category due to having the best user score and by far the best rating in terms of non-users who aspire to use the brand.

“It is the brand to which most people aspire, and when people use its outlets, their experience is very positive,” Higgs says.

Mr Exhaust Mr Tyre won second place, despite only having 2% usage, due to scoring the second best user and non-user ratings. Third place went to Hi-Q, with Speedy coming in fourth.





Benefits for high-volume,  
low-margin traders.

#### ANALYSIS: WHOLESALERS

Report by David Jackson

While not enjoying the mass exposure of the more visible commercial retail chains, the top wholesalers have carved a market niche for themselves this year – despite the challenges of the economic recession.

Three players earned honours this year: overall winner Makro, Trade Centre and Metro Cash & Carry (formerly Metcash Africa).

Kay Walsh, senior economist: Economics Advisory for Deloitte Consulting, points out that wholesalers typically fall into the category of higher-volume, low-margin traders. They may have been in a position to benefit from the fall in inflation and to reduce the prices of the more basic, less durable goods they offer.

“What is interesting is that Makro sells quite a large volume of durable items and so – in a recession – it’s quite impressive that they have done so well in the circumstances,” says Walsh.

According to market researcher TNS Research Surveys, Makro and Trade Centre have about the same number of users, but Makro got the winning nod as a result of its higher user rating.

Says Neil Higgs, director of Inno-

vation and Development for TNS Research Surveys: “Of the three players, Makro has by far the best user rating. Clearly, it’s seen to be laid out better and to be offering a more pleasant shopping experience.

“None of the index scores for any of the wholesalers are great, partly because there is a low penetration and also because their user ratings – although Makro’s is better than average – are not exceptionally good.”

A factor picked up in the TNS research is that the usership statistics for the wholesalers generally were quite low and well below all the regular outlets, says Higgs.

His view is that if there were more of this type of wholesaler in the market, they would do better. “There are just not very many of them and it is limited as to the number of outlets. Their actual footprint is not very big.

“The data suggests that if more of these types of stores were to open, they would probably do quite well.”

Higgs notes that there is a lot of talk in the retail world currently about the growth of private-label, dealer-owned brands. “Clearly this is a sign that

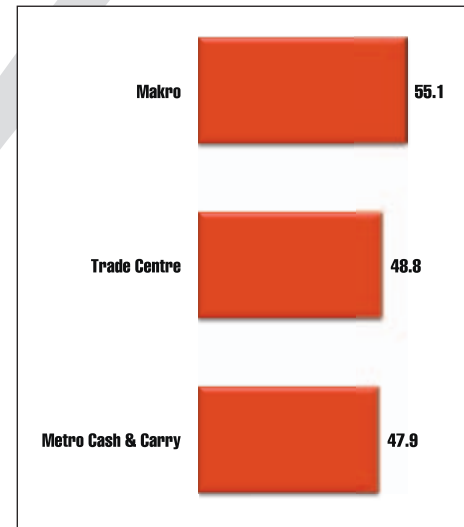
private-label brands are potentially something to watch in the future in terms of their ubiquitousness.”

He adds: “One of the key attributes of retailing is to make shopping simple, in which layouts are a critical aspect.” Around the world, he observes, research into the shopping environment – “shopper research” – is now an established trend in terms of studying optimum layouts.

“Many stores are not optimally laid out, but it’s not difficult to improve this dramatically, which normally has a positive effect on sales.”

There has also been a reversion to familiar brands and away from the more avant garde brands; that may well be the case in retail as well. People see the well-known brands as very safe and trustworthy, he says.

“The nature of price advertising may also be changing, with quite an effort to build store image. There is a trend towards advertising that is not purely price-based. Woolworths has been doing this for a while, and very successfully so – advertising on a price platform as well as quality, range and convenience, for example.”



Seven new categories this year included credit furniture stores, cash furniture stores, specialist telecommunications stores, retail benefit programmes, and monthly grocery shopping, weekly grocery shopping and more-than-once-a-week shopping.

Last year’s two categories of independent chain and retail chain liquor stores were merged into a single category.

# Congrats, Chippie

on turning our opposition  
green with envy

Thanks to our store operators for exceeding  
customer expectations and welcome to all who are keen  
to discuss a powerful franchise opportunity by contacting  
Timbercity on 011 445-3065 or [jcole@steinbuild.com](mailto:jcole@steinbuild.com)

[www.timbercity.co.za](http://www.timbercity.co.za)

## TIMBERCITY

Your Project Partner

ADDING VALUE TO  
Steinhoff  
INTERNATIONAL





# 10<sup>th</sup> The Times Sowetan 2010 **RETAIL** Awards

## The pulling power of CLICKS

*Clicks maintains its lead as a star performer.*

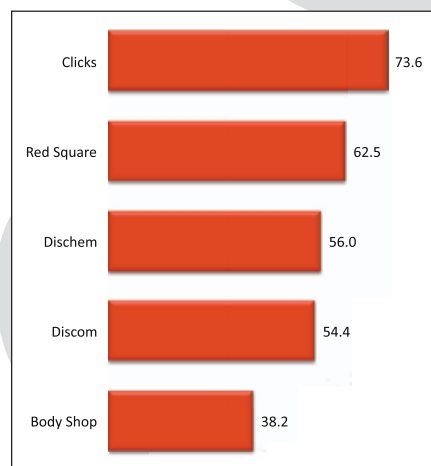
**ANALYSIS: SPECIALIST HEALTH AND BEAUTY STORES**

Report by David Jackson

In the Health and Beauty category, Clicks scooped the pool once more this year, with Red Square maintaining its second spot and Dis-Chem rounding out the top three.

Says Neil Higgs, director of Innovation and Development for TNS Research Surveys: "Clicks wins by virtue of sheer penetration and usage. It has by far the highest user base of any of the brands on the list. Its user and non-user scores were not bad, but its user scores were not as good as those of Red Square."

"Although it has a much smaller footprint, this is the reason why Red Square came second. The proportion of



users for Red Square is only about 15% that of Clicks, but its user ratings were particularly good, so clearly the experience in store is doing a lot to keep those people coming in."

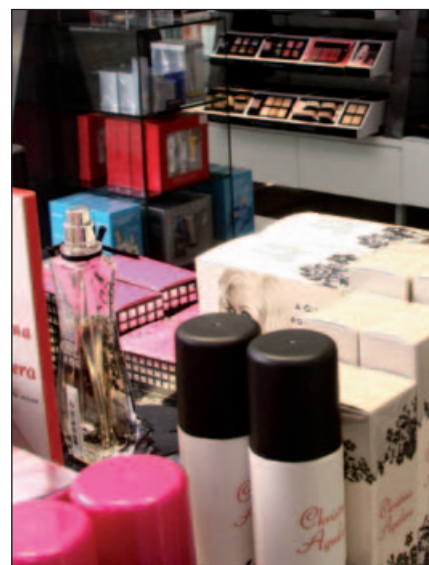
Clicks, for its part, obtained relatively good non-user scores, with quite a pulling power for people not yet using it, as has Red Square – but its scores were not quite as good. "So Clicks won on sheer power in the market," says Higgs, "with Red Square at number two because of sheer power in the mind."

Clicks had an overall index score of 74, considered to be fairly high, with Red Square quite a distant second. "Clicks certainly stands out as a star performer," says Higgs.

Meanwhile, Dis-Chem – ranked third in this category this year – is pushing ahead with planned new franchise outlets, while marking time on plans for a possible future JSE listing.

Says Saul Saltzman, who at 31 is one of seven Dis-Chem directors (in charge of imports and distribution): "We know that we provide a good service and product range, as well as good pricing."

"We have also made improvements in terms of expansion, and we have reached another 16 new stores this year alone, some of which are franchised."



"We are always looking at being the market leaders and what is available out there, and ensuring that we take best advantage of it. We do expect competition and we know there are competitors out there. But instead of using them to benchmark ourselves, we benchmark ourselves against ourselves and we aim to continually improve on what we do."

"We do not have a listing on our plate at the moment. We are still looking at it, but not for the near future."

## Love and romance with STERNS

*Sterns nudges American Swiss into second.*

**CATEGORY: JEWELLERY STORES**

Report by Alf James

Sterns is all about love, romance and jewellery with meaning, according to Margot Rudolph, marketing director of the jewellery division at the Foschini Group. "Sterns aims to enhance our customers' magical moments and create beautiful memories," she says.

"The Sterns brand is an important facet of the company's success, as it has become trusted by generations of clients through whom we have developed strong relationships and built a reputation for expertise and reliability. With 140 stores, plus our credit terms and affordable prices, Sterns is accessible to all South Africans."

According to Rudolph, the jewellery chain has continued to experience positive growth in challenging economic conditions during the last year by offering excellent value, beautiful styling, plus attractive marketing and in-store programmes that appeal to the South African consumer.

However, she says the gold price does influence Sterns's range of product, as the jewellery chain is mainly in the luxury goods category.

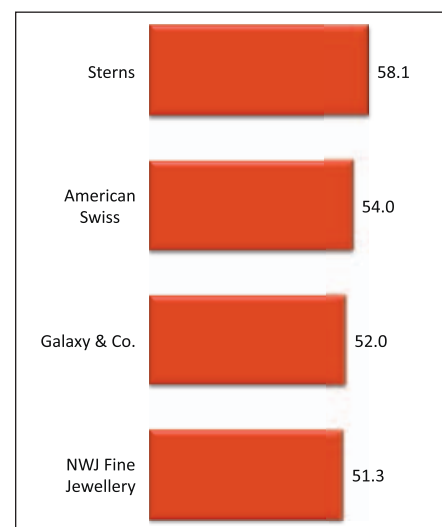
Further reasons for Sterns's continued success, in spite of the recessionary environment, are the stores' attractive and inviting retail environment, extensive product ranges, desirable brands and outstanding service, according to Rudolph.

"We strive to give consumers a special in-store experience and offer them real choice by differentiating

products we stock. Merchandise is obtained from all over the world, including products designed and manufactured locally, ensuring that we continually innovate and set trends. We offer the consumer quality at an accessible price."

She adds: "We believe that customer service is a key differentiator; therefore we continue to improve staff training programmes used in stores and at head office to ensure that all staff members are aligned with our customer focus and core values."

"Through the strength of the brand, we believe we can still grow turnover and market share, and maintain our position as South Africa's best-loved jeweller, by captivating our clients with the quality of our products and connecting them with a jeweller that celebrates caring relationships with



lovingly crafted jewellery. This was a dream that started in 1896 when Austrian immigrant Joseph Stern opened the doors of his first jewellery store in Johannesburg.

"Today, the company still holds Joseph Stern's philosophy very close to its heart. Because even though the range of jewellery may have changed over the last 100 years, the dream hasn't."



### Awards of Excellence FOR THE SHOPPING INDUSTRY in South Africa



**FOOTPRINT MARKETING Awards**

The Footprint Marketing Awards celebrates excellence in shopping centre marketing.

**SPECIAL STAR Awards**

The Special Star Awards honour those Retailers and Service Providers who deliver an exceptional level of customer service, ultimately creating an outstanding shopping experience.

Media Partner / Sponsor: Avusa Media

**RETAIL DESIGN & DEVELOPMENT Awards**

The Retail Design & Development Awards (RDDA) recognises exceptional shopping centre design and economic successes of projects within the South African property industry of both new shopping centres and for the renovation and/or expansion of existing centres, as well as the design of retail stores.

Sponsor: Nedbank Corporate Property Finance

**THE SPECTRUM Awards**



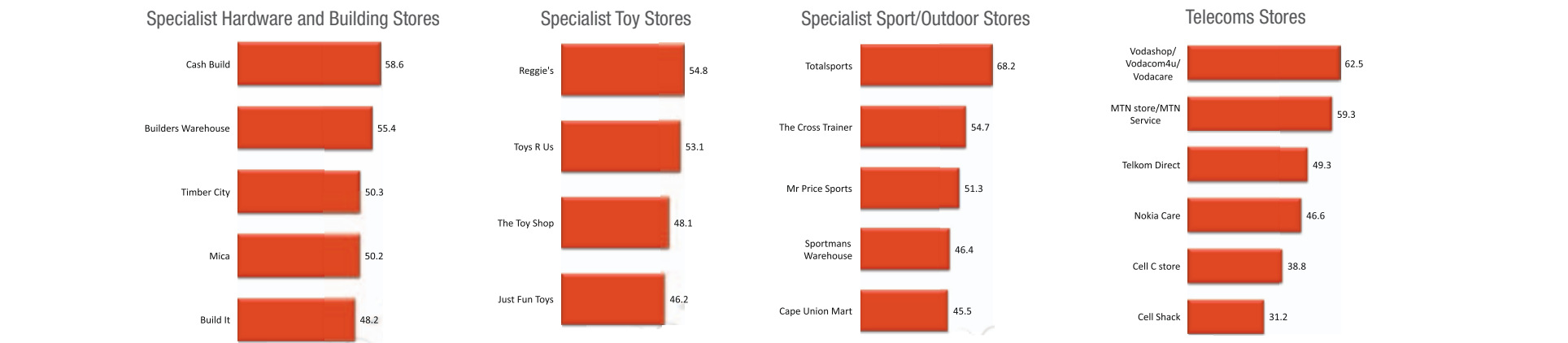
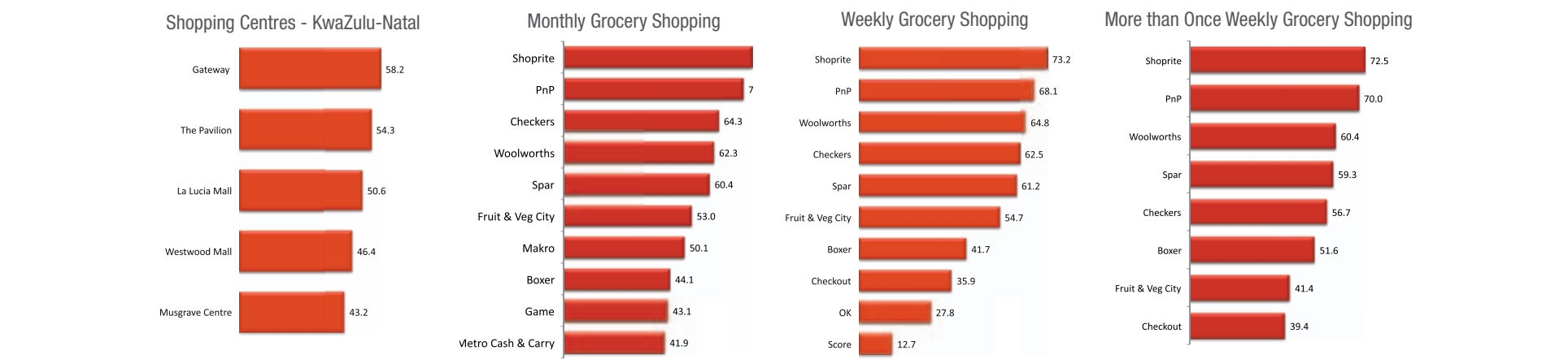
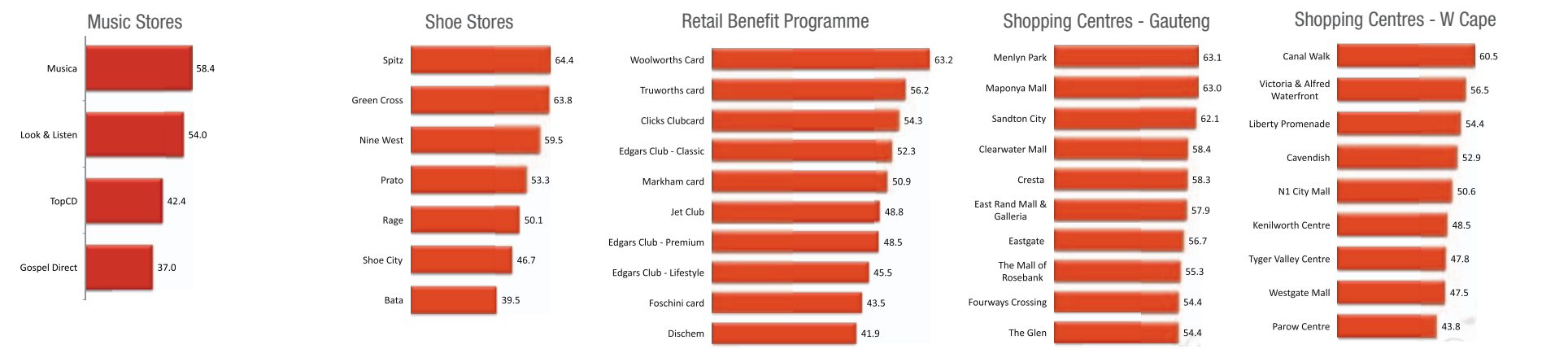
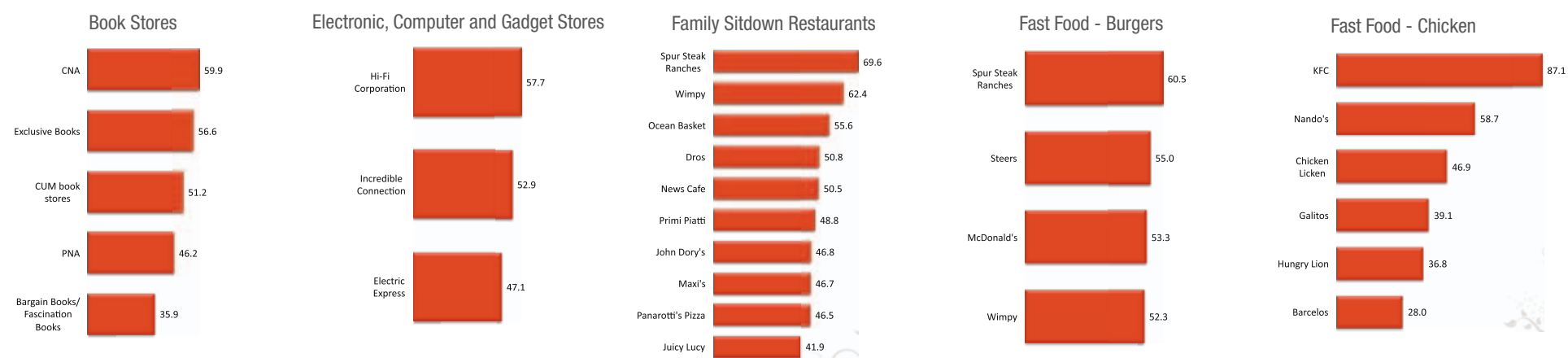
**THE SPECTRUM AWARDS**

The awards will be presented to the respective winners at a prestigious event on the 23rd November 2010. A trophy will be awarded to the winners in each category at the event; thus in total only 4 Spectrum Awards will be awarded; Overall Footprints Marketing Awards Winner, Overall Retail Design and Development Winner, National Service Provider of the Year and National Retailer of the Year.

**nurturing south africa's retail network**

SACSC Offices, Village Walk Shopping Centre  
Suite 4, 1st Floor, Cnr Maude Street & Rivonia Road,  
Sandown, Sandton  
Tel: +27 11 884 8940 | www.sacsc.co.za







# THANK YOU SOUTH AFRICA!

FOR  
VOTING US

**TOP  
RETAILER**

IN THE  
"TYRE & AUTO FITMENT  
CENTRE'S"  
CATEGORY

ALBERTON 011 907-3616  
AMANZIMTOTI 031 904-1153  
BALLITO 032 946-0323  
BELLVILLE 021 948-0144  
BENONI 011 421-6906  
BETHLEHEM 058 303-1410  
BLOEMFONTEIN CBD 051 447-0792  
BLOEMFONTEIN MEGA PARK  
051 447-1075  
BOKSBURG 011 823-3480  
CANAL WALK 021 552-7448  
CAPE TOWN CBD 021 425-4683  
CENTURION 012 663-1690  
CLAREMONT 021 683-1874  
CRESTA 011 476-9491  
DURBAN CBD 031 337-1430  
EASTGATE BRUMA 011 616-1911  
EAST LONDON 043 726-1000  
EDENVALE 011 453-8800  
EMPANGENI 035 772-7055  
FORDSBURG 011 836-7661  
FOURWAYS CROSSING  
011 467-1060  
GABORONE 00267 390-3748  
GEORGE 044 884-1111  
GEZINA 012 335-1111  
GREENSTONE MALL 011 452-7273  
HATFIELD 012 342-8355  
JEFFREYS BAY 042 293-5000  
JOHANNESBURG CBD 011 334-6946  
KEMPTON PARK 011 972-7492  
KEYWEST MALL 011 273-1154  
KIMBERLEY 053 807-9400  
KLERKSDORP 018 464-1000  
LOUIS TRICHARDT 015 516-6007  
MAPUTO, MOZAMBIQUE  
NOW OPEN 00258 2140-4514  
MELROSE ARCH 011 887-4255  
MENLYN 012 365-1000  
MIDRAND 011 256-4000  
MONTANA 012 548-5647

MOSSEL BAY 044 695-3090  
NELSPRUIT CBD 013 752-7331  
NELSPRUIT RIVERSIDE  
013 757-1041  
N1 CITY 021 595-4044  
PAARL 021 872-9920  
PIETERMARITZBURG 033 345-0069  
PINETOWN 031 701-6152  
POLOKWANE 015 295-4348  
PORT ELIZABETH 041 363-9160  
PORT SHEPSTONE 039 682-4084  
PRETORIA CBD 012 322-9000  
RANDBURG 011 886-9944  
RICHARDS BAY 035 789 2668  
SANDTON CITY 011 883-6626  
SASOLBURG 016 973-2541  
SECUNDA 017 631-3277  
SILVEROAKS  
(NEAR SILVER LAKES) 012 809-1447  
SOMERSET MALL 021 852-5200  
SPRINGFIELD 031 263-2300  
STELLENBOSCH 021 887-6183  
STRIJDOM PARK 011 791-5538  
STRUBENS VALLEY 011 675-4065  
TOKAI 021 713-0579  
TZANEEN 015 307-1624  
UMHLANGA GATEWAY  
031 566-6510  
VANDERBIJLPARK 016 981-9210  
VEREENIGING 016 454-9727  
WELKOM 057 355-6130  
WESTGATE MALL 011 768-1420  
WINDHOEK 0026461 230-931  
WITBANK 013 656-6220  
WONDERBOOM 012 567-0056  
WOODMEAD VALUE MART  
011 802-1428  
WORCESTER 023 347-0217

mobi.twt.to www.twt.to  
**Tiger**  
Wheel&Tyre

# WE VALUE YOUR SUPPORT