

# Trade Tatler

NEWS FROM THE CONSUMER GOOD INDUSTRY – FRESH EVERY WEEK

18 January 2024

In your Tatler this week, Sean Summers flexes, Nestlé invests in Investec projects. But excitingly this: as part of our relentless mission at Trade Intelligence to bring value to our clients and industry stakeholders, we're introducing complimentary webinars on showcasing insights and highlights from our latest research. First up, on 8 February, our always valuable Retail Trends Webinar – a fantastic way to kick-start your year! [Click here to book online](#). And in the meantime, enjoy the read.

## YOUR NUMBERS THIS WEEK

**Zero**

the rands we will charge you to attend our **Retail Trends Webinar**

**6**

**execs** on Sean Summer's new leadership team at **PnP**

**4.5m**

**sqm** covered by **Shoprite's** food gardens

**\$1bn**

in fraud losses to **Walmart customers** from 2013 to 2022

**\$100m**

invested by **Nestlé** in its Tri An **coffee factory** in Vietnam

**1%**

**GDP growth** projected by Investec for **2024**

## RETAILERS AND WHOLESALERS

### Pick n Pay Boss Moves

Putting a stake in the ground this week is Pick n Pay's Sean Summers, who has appointed a leadership team that hints at the strategic priorities of the business under his tenure. Assuming the new position of Managing Executive of the Pick n Pay Retail Division is PnP veteran Dallas Langman, who most recently served as Managing Executive of the Rest of Africa division, now under the care of Johan Grobler who will also oversee Value-Added Services. Marek Masojada stays in place as Managing Executive of Boxer, which has continued to thrive and grow under his care. The remaining three positions on the team are held by women – Lerena Olivier as Group CFO, Chief People Officer Thembi Mbengashe, and Managing Executive for Clothing Hazel Pillay. "These changes will allow us to focus with clarity on the job at hand," explains Summers. "This includes creating a new, dedicated head of Retail, regionalising our Retail division to allow a much sharper focus on our customers, and the creation of a dedicated Commercial section to focus on our products across the retail spectrum."

**Comment:** An experienced team with a direct line to the boss but apparently a great deal of carriage over their own portfolios. [Supermarket.co.za](http://Supermarket.co.za) 11/01/24

### Clicks

#### Coffee with Bertina

As briefly mentioned last week, our very own Nicola Allen had the pleasure of meeting and chatting to Clicks CEO Bertina Engelbrecht last month. This week we bring you that interview, where Bertina revealed her views on leadership, retail and the future of the Beloved Country. "You can't be in this role and not be willing to make use of a more public platform," she explains, "Because that platform gives you a voice, and it says to other women 'it is possible for us to get there'." She's invigorated by the challenges the sector brings across her desk every day. "Retail is dynamic," she says. "You're impacted by the economy, by the weather patterns, by sporting events... people behave differently... even politics can influence people's confidence and how they behave". And speaking of politics, how does she feel about the road we're on as a country in this our perhaps most important election year since 1994? "We all want a stable country, functioning justice and correctional services and police, we want an education system that delivers the human resources that we'll all be employing for the future and we're looking for better quality – frankly speaking – coming out of the education system," she concludes.

**Comment:** Powerful and inspiring stuff. For more of that revealing interview, [click here](#).

[Trade Intelligence Research](#) 17/01/24

### Amazon

#### Can't see the forest

The arrival of Amazon on these shores in force will change the retail landscape in ways we cannot yet fully envisage. But we do know that Amazon enjoys certain advantages, grouped across four fronts. Firstly, **pricing**, where in line with its approach elsewhere, Amazon will be competitive but not eye-poppingly so. Secondly, its Prime **subscription service**, offering video, gaming, reading and music subscriptions, the ability to buy from other sellers and preferential rates on faster delivery. Next, an **extensive product range**, including Amazon's increasingly popular Basics private label. And finally, **fast delivery times**. Are local competitors ready for the challenge? "We understand that they will try to enter comprehensively, meaning that they will establish a foothold not just on the consumer side but also in the seller community," says Ervin Tu, interim CEO of Naspers, which owns Takealot. "They need to attract sellers to their platform. We will be ready across multiple fronts."

**Comment:** Sounds like a throwdown to us. It will be interesting to see how Amazon, a first mover in most markets, takes up the gauntlet.

[Mybroadband.co.za](http://Mybroadband.co.za) 12/01/24

### In Brief

#### Strike three

As you may remember, in late 2018 and early 2019, around 2,500 **Dis-Chem** workers went on strike, which was attended by widespread violence. Now the Labour Court has upheld the dismissal of 285 of the workers involved in acts of disruption, after an appeal by their parent union Nupsaw, putting a cap on the whole unfortunate event. On a more positive note, nice work from **Shoprite** in the Moretele View Community in Mamelodi, where the Shoprite Group's 'Trees and Garden for Home' project is providing 450 indigenous and fruit trees as well as training and tools for people to grow their own food gardens. Through its Act for Change programme, Shoprite supports more than 220 food gardens – covering more than 4.5 million

square metres – and over 3,750 home gardens, indirectly impacting 61,064 beneficiaries. “We know that food gardens ensure communities are more adaptive and provide them with some resilience against a changing climate,” says Sanjeev Raghbir, Head of Sustainability and CSI at the Shoprite Group.

**Comment:** Tough learnings for Dis-Chem, the union and the workers, in a sector with less destructive industrial action than in times past.

[Tatler Reporter 17/01/24](#)

## International Retailers

### Cartful dodgers

Scammers have been preying on the gullible and exploiting **Walmart's** lax security by convincing their victims to purchase Walmart gift cards (or face fines, penalties or even jail time by the government agency they are impersonating), then photograph the pin and serial number on the card and send the image to the imposter who might use the gift cards to buy other gift cards, thus adding a further layer of impenetrability to the dodge. The scheme is so widespread that it is known as the Walmart Scam and has cost unwary punters \$1bn in fraud losses between 2013 and 2022. The cost to Walmart? Nothing: they profit from the sale of the cards and earn commission when they are used to purchase other brand's cards. And speaking of fraudulent activity, the **Australian Competition and Consumer Commission** is looking at a potential claim that some supermarkets are artificially inflating prices on some items before they go on promotion, exaggerating the apparent savings on these items in a practice that amounts to something called “deceptive conduct.”

**Comment:** Which is tantamount to pretending for weeks that you have no interest in winning the cricket world cup, then you do.

[Tatler Reporter 17/01/24](#)

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## MANUFACTURERS AND SERVICE PROVIDERS

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### Agriculture

#### Food for thought

60% of Africa's calorie consumption comes from just three crops – wheat, maize and rice. This dependency threatens the resilience of the continent's food supply at a time of growing food insecurity and squanders our vast agrobiodiversity – we have 30,000 edible plant species, of which 7,000 have been traditionally cultivated for food. According to a study by Professor Tafadzwanashe Mabhaudhi of the London School of Hygiene and Tropical Medicine, crops suitable for cultivation include Bambara groundnut, cowpea, pigeon pea, millet, sorghum and leafy vegetables such as amaranth and wild mustard. The study reports that this doesn't just make for improved food security – smallholder farmers in South Africa who grow a wider range of crops also make better sales in local markets and use the profits to buy a wider range of food. “With support,” the study concludes, “neglected and underutilised crop species could be ‘opportunity crops’ for achieving an Afrocentric agrifood system that celebrates Africa's heritage.”

**Comment:** Not to mention an opportunity for retailers and suppliers with the vision to understand that there is a market for traditional foods...

[The Conversation 14/01/24](#)

### In Brief

#### Wanted: couch potatoes

Slow news week from the suppliers but you'll like this: **Unilever** has introduced a digital recruitment programme that uses online gaming to select the best candidates, in a fully digital recruitment process. The Unilever Digital Recruitment Programme mixes gaming with video interviews in a “strengths-based approach” to assessing candidates, using future-focused-scenario-based questions designed to assess their future potential rather than their past performance. It's targeted at Millennials, so presumably will include modules on axe throwing, crochet, beard grooming, and banjos. To Vietnam now, where **Nestlé** have invested \$100m in their Tri An coffee factory to increase production on such brands as Nescafé and Starbucks to meet growing local and international demand. This brings to \$500m that they've invested in the facility since 2011; Vietnam is the world's biggest coffee exporter after Brazil. Nestlé has implemented their Nescafé Plan in Vietnam; the sustainability programme is aimed at transitioning farmers to more sustainable production.

**Comment:** When the world's biggest food producer implements sustainability at this scale, we should probably all sit up and take notice.

[Tatler Reporter 17/01/24](#)

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## TRADING ENVIRONMENT

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### The Economy

#### It's not nothing...

The good news, according to Investec, is that our GDP growth is likely to double this year. The bad news is that it came in at 0.5% for 2023. But at this point, we'll take what we can get, including rate cuts from the dear old SARB, which also according to Investec's macroeconomic outlook should start its rate cutting cycle round about now. Also, to be cut this year, power, by Eskom, with load shedding projected to worsen somewhat before starting to improve in 2025 as more private generation capacity starts to come onstream. Business confidence, they say, will likely remain depressed until the jitters around the forthcoming elections have played themselves out. And growth of the world economy, while avoiding recession, is likely to slow to 2.7% (compared with 2.9% in 2023) – still providing a measure of buoyancy for our own fortunes.

**Comment:** Hang tight. Better days may yet be ahead of us.

[Tatler Reporter 16/01/24](#)

## THE WEEKLY GURU

“I have frequently pointed out that the future belongs to nations with grains and not guns.”

M.S. Swaminathan

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