Yarona Cash & Carry

Trading Context

• Established in 2002, Yarona Cash & Carry is a founding member and current shareholder in the Elite Star Trading Africa Buying Group, and is located in Crown Mines, central Johannesburg.

• Elite Star was established in 2007 as a co-operative buying group empowering small and independent FMCG retailers. The business has two operating divisions: EST FMCG represents the group’s food and grocery business, while EST Building, a specialist building supplies division, represents independent hardware wholesalers and retailers. Yarona is a member of EST FMCG.

• Strategically located in the “wholesaling district” near commercial and transport routes into the major Gauteng township areas, Yarona C&C is easily accessible from major highways, including the R41, N1 and M1.

• Yarona specialises in the wholesaling of bulk goods, primarily within the commodities category.
Yarona Cash & Carry

**Shopper Profile**

- Primarily LSM 2 – 6
- Traders and store owners from a variety of outlet types
- Large and small traders (spaza shop to midi-wholesalers), catering establishments, schools and a smaller contingent of consumers
- Portuguese and Muslim traders form a large proportion of the customer base
- The store also services a significant proportion of foreign national shoppers (approximately 30% of customers originate from countries such as Somalia and Bangladesh)
### Yarona Cash & Carry

#### Store Environment | Attributes and Layout
- With 6,500m² of trading space and four storage facilities, Yarona C&C is a typical big box, wholesale trading environment with an emphasis on bulk pack merchandising and sales.

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sqm</td>
<td>16,500m²</td>
</tr>
<tr>
<td>Trading sqm</td>
<td>6,500²</td>
</tr>
<tr>
<td>Width of Aisles</td>
<td>Wide, approx. 2m</td>
</tr>
<tr>
<td>Tillpoints</td>
<td>24, 12 bulk trading, 12 retail</td>
</tr>
<tr>
<td>Permanent staff</td>
<td>236</td>
</tr>
<tr>
<td>SKU’s Total</td>
<td>+16,000</td>
</tr>
<tr>
<td>Service Departments</td>
<td>Take Away, Muthi Bar</td>
</tr>
<tr>
<td>Value-Added Services</td>
<td>Delivery pre-picking, trolley pushers, packers</td>
</tr>
</tbody>
</table>
Store Environment | Shopping Experience

- Typical big box, warehouse trading format comprising wide aisles, impactful bulk displays and chaotic month-end till-point queues
- A rich promotional feeding ground for supplier, both on the trading floor and outside of the store

Big brands receive primary focus on shelf – commanding bulk displays

Break bulk display areas

Aisle end displays provide maximum impact

Kiosk sales of high value items, including traditional “Muthi” items

25 tills service both wholesale and retail customers

Dump Bins primarily utilised for single items on promotion

Innovative merchandising for specific pack sizes draws customers’ attention

Oversize posters reinforce brand awareness
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Store Environment | Range

- Wide range of groceries, perishables, personal and home care as well as general merchandise – with an emphasis on commodity products
- Focus on KVIs and 'national' brands
- Ranging is geared to the needs of the local customer base - significant attention is paid to customer needs and range requests
- Brand range within each product category is narrow, supported by large volumes

Category changes

- Recent growth in secondary or tertiary brand lines & corresponding decline in sales for 'national' (often premium) brands in each category – particularly true for commodity lines such as maize, flour, sugar and rice
- Smaller pack sizes exhibiting strong uptake
- Major growth in private label: e.g. Yarona C&C maize private label now outselling White Star 2-1; store set to launch private label Rice offering under Yarona brand
Within the broader carbohydrate category, Rice, Sugar and Maize play a primary role. Key commodity sub-categories also include Flour, Pasta and IQF Chicken.

Other Key Categories:
- Dairy (Long life milk)
- Spreads (Margarine)
- Energy Drinks and CSD's
- Personal and Home Care
- Main meal flavourings/colorants (e.g. soups/stock cubes)
- Snacks/Extrudes
• Products merchandised in cases, shrinks and units on a single vertical block

• Pallet-based merchandising, based on broad principals of forward share, applies. Smaller pack sizes are merchandised at eye level, while larger packaging and shrinks are merchandised above on top racking

• Sales volumes determine forward share allowing for powerful displays for individual brands

• Catering sized packs also available, predominantly merchandised at floor level

• Single pack size merchandising less predominant due to high shrinkage levels, however with the shift towards hybrid trading, single units are finding their space on shelf

• High value items often merchandised behind the counter
Due to the vast trading spaces available, a multitude of promotional and marketing opportunities exist for suppliers in Yarona, ranging from blitz displays with a competition element, to aisle end displays, dump bins, bunting, branded price cards and branded FSU's.
Distribution

- Distribution has begun to play an increasingly important role at Yarona Cash & Carry – both as value added differentiator and loyalty driver
- A total contingent of 17 trucks (6 super links, 4 two tonners and 3 two toners) deliver to customers within a radius of 400km, covering the entire Gauteng region, and as far away as Bloemfontein
Exports

- Exports comprise approximately 25-30% of total sales
- Major export countries are Malawi and Mozambique
- The balance of export stock goes to Uganda, the DRC, Zanzibar and Tanzania, Zambia, and Zimbabwe
- A transport broker and shipping agent are utilised for overland and sea distribution respectively
“We are looking to achieve key touchpoint efficiencies, but the foundation knowledge is lacking”

“My shelves are not elastic, I need suppliers who think not only about their brand, but about the growth and profitability of the category when bringing me new products”

“My suppliers keep changing their Account Managers and so there’s no understanding of my business, how to handle my account or service my needs”

Our Clients

Our Mission
To promote effective, profitable trading relationships, and upskill and inspire best talent across the Consumer Goods Industry in Southern Africa.