



01 November 2018

Good results from Clicks under the circs, well played Mr Kneale sir. And to Boxer Superstores, still bringing the value and enjoyment of world-class retail to under-served communities everywhere in the Beloved Country. Enjoy the read.

RETAILERS AND WHOLESALERS

Clicks

Thank you for the music

Those Clicks results, then. Turnover up +9.1% to R29.2bn, and gross profit +9.8% to R6.2bn, making you think that the lipstick index isn't just flim flam for the press release but hard socio-economic theory. Certainly, when we're skint we feel an irrepressible urge to nip down to our local for a fistful of Revlon Super Lustrous and Fire & Ice. Anyhoo: in the twilight of Mr Kneale, the business managed to open a record 41 stores and a net 37 pharmacies during the FY for a total of the latter of 510. And the venerable ClubCard increased active membership by over 800,000 to 7.8million. And circling back to the numbers, like store sales were up +6.2%, with internal inflation of only 1.1%. Some sad news (cue wild unseemly applause) is that they're thinking of flogging Musica, presumably to a consortium of bearded millennials with an ironic taste for CDs. For a quick glance at the FY, have a read [here](#).

Comment: A suitably high note (if you'll permit us) for the departure of a quietly legendary CEO.

[Tatler Reporter 30/10/18](#)

Boxer Superstores

Good neighbours

Boxer Superstores have just opened their latest super in the newly-opened Peddie Plaza Shopping Centre in the Eastern Cape. Did we say super? Not so fast: "We're not a supermarket, we're a discounter," says national operations director Chris Theron, referring to the business model which has proved so successful and which seems tailor-made for the South African context. A pillar of the Boxer business is its engagement with the communities it serves. "With this store we've created 80 jobs for the local community, while for 15 managerial positions, we have promoted our staff from neighbouring stores, to afford them the chance to grow," says Mr T. The business will bring the full Boxer experience, with its modern store design, payment facilities, cash withdrawals, a deli, fruit and vegetables and a bakery to a previously under-served community.

Comment: Another local landmark. Nice work Boxer.

[Tatler Reporter 30/10/18](#)

SPAR

Cloudy with a chance of retail

A periodic look under the bonnet, if you will, of one of our retailers to see what really makes it tick. Spoiler alert: computers! SPAR is in the process of migrating a big old chunk of its operations to the Cloud, that mystical realm where tattooed IT fellers in Slipknot t-shirts romp with unicorns made entirely of 1's and 0's. Their plan is to reduce their server footprint by a third and their virtual machine count by a half over the next 24 months, cutting costs on hardware for servers, storage, and backups and reducing admin overheads. But efficiencies are not the only goal: "The cloud gives us the flexibility and scalability we need to expand operations at will and not be constrained by the capacity limits of an on-premises IT infrastructure," explains Group technology and operations executive Greg Hay. For the migration, the Group have chosen Microsoft Azure (we advise you merely to nod knowledgably here) having had a good experience with Office 365 of late.

Comment: Good move, especially on the flexibility front, for a business with a lot more growth in it.

[Tatler Reporter 30/10/18](#)

MANUFACTURERS AND SERVICE PROVIDERS

Karan Beef

Where's the ... oh, never mind

So the PIC and Pelo Agricultural adventures mentioned last week that they would be forking over a majority stake in Karan Beef for a cool R5.2bn, its little contretemps (if that's a word) with the Competition Commission notwithstanding. Karan, you may recall, was done by the authorities for divvying up the market in crumbed steaklets, burger patties, boerewors and the like with I&J, allocating goods and customers to each business collusively. Karan paid a R2.7m admission of guilt, small potatoes in comparison with the deal it's now sitting on. The business' chief assets are a vast feedlot accommodating 150,000 head of cattle and an abattoir capable of butchering 2,100 of them every day.

Comment: A big deal then. What, apart from an injection of capital, are the PIC and Pelo bringing to the table? Ideas?

[Business Day 29/10/18](#)

SA Rooibos Tea Supplies

Supplies to see us?

Ok we're just going to get this out of the way: not a great name, doing nothing to celebrate the home-grown appeal and the delicious, smoky flavour of SA's favourite non-alcoholic beverage. But doubtless they have their reasons. Operating from their home of 20 years in Gordon's Bay, SA Rooibos Tea Supplies sell Rooibos and Honeybush under their own trademark, Twig, but also provide it to retailers for private label purposes. And – here's the kicker – they export it to such geographies as Japan, South Korea, Germany and the Netherlands, and will soon add France to the list, having recently been exhibiting at the 27th Salon International de l'Alimentation (SIAL) Food Innovation Exhibition in Paris.

Comment: Splendid stuff – rooibos itself of course, and its dominance as The Other Tea on global markets.

[Bizcommunity 25/10/18](#)

TRADE ENVIRONMENT

The Budget

Tito-rring

Tito Mboweni's budget speech got right up the ratings agencies noses, by all accounts, and scared the bejeebers out of the dear old ZAR. At issue was the ballooning debt the speech revealed, rather than the austerity measures the agencies would have liked to see. Our gross debt by in the 2020/2021 financial year will be 57.4%, a sliver away from the 60% at which, according to Comrade Tito, we will be forced to go cap in hand to the IMF in their squat and silvery headquarters, and have austerity imposed on us anyway. Cheering us up last week though was President Ramaphosa's Presidential Investment Summit, at which various local and international businesses flashed their various spending plans about, like the parents in the front row at the third grade art auction.

Comment: And we applaud them for it. While being secretly envious of the nice underwater scene they're taking home.

[IOL 28/10/18](#)

IN BRIEF

Koo

Jammy

Year after year, Koo crack the nod in the Sunday Times Top Brands Awards and this year is no exception: Overall Favourite Brand goes to them, with Coca-Cola winning in the other two categories - the Green Award and the Community Upliftment Award. Koo – no surprises here – won the canned foods category too, with Coke taking top honours in fizzy drinks.

[Tatler Reporter 30/10/18](#)

Makro

Glass half mill

It's that happy time of the year when CEOs and taxi lords alike wait with mounting excitement for the arrival of the Makro liquor catalogue, which the rest of us read with a kind of vicariousness as we watch an episode of Celebrity Cribbs. Yours for R54,999, this year – a Hennessy Richard Cognac Blend of the Grand Siècles, presented in a numbered carafe of pure hand-blown crystal. Or perhaps sir – or indeed madam – might consider the Glenfiddich 50 YO Single Malt, a cool R600 grand for the jar.

[Tatler Reporter 30/10/18](#)

International Retailers

Why are we still having this conversation?

Marks & Spencer top the UK's list of companies on a register of businesses doing their bit to combat modern slavery, defined by the UK's Modern Slavery Act of 2015. "However unwittingly, through their global supply chains, businesses are complicit [in modern slavery and human rights abuses]," says Shamir Ghumra, a director at the Building Research Establishment (BRE). Over in the US, Aldi is – and this is probably the incorrect term – beefing up its fresh department to add a little life to the discount mix.

[Tatler Reporter 23/10/18](#)

THE WEEKLY GURU

"When people think of slavery, they think of an era from the distant past. Grainy photographs from Civil War times. And yet it goes on."

Lisa Kristine

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