Corporate Retail
SWOT Analysis
2020/2021
In tough times, success depends on having the right plan, and delivering on that plan, whatever the circumstances. This result is built on a clear, long-term strategy to create a leaner and more cost-effective business, which gives customers exceptional value, quality, innovation and service. We have raised our game in a difficult economy when customers have needed us most.”

Richard Brasher, Pick n Pay Stores Ltd CEO
PICK N PAY SWOT ANALYSIS

The following SWOT analysis focuses on retailer strengths and weaknesses and the corresponding supplier opportunities and threats. Utilise these as a thought starter and tool to custom develop your own aligned customer business SWOT.

RETAILER STRENGTHS

Strategy
- Remained consistent since the implementation of the turnaround strategy
- Behaviour should be more strategy led than profit led, now that the business is in a more stable position

Growth
- A strong heritage brand
- Diversification: a multi-format, multi-channel retailer
- Portfolio of tiered private label brands
- Value-added services offering strengthened with the addition of TymeBank

Shopper Marketing
- Smart Shopper platform – shopper behaviour, category and store-based insights
- Improved shopper segmentation
- Relevant price promotions for the cash-strapped shopper

Sustainability
- Strong focus on waste reduction, with strong communication around plastic reduction
- Significant community and connectivity investment

RETAILER WEAKNESSES

Growth
- Although strategy is well articulated, execution is sometimes wanting
- Comparatively few supermarkets added to the Pick n Pay brand – focus has been on clothing, liquor and Express / convenience and Boxer stores
- Price competitiveness is sometimes questionable

Operations
- Still many stores needing costly refurbishments
- Speed of execution slow
- On-shelf availability has improved, but remains a challenge
- Lack of response to regional product nuances as a result of centralised buying

"We have made our shops brighter and more vibrant, accelerated our own-brand offer and taken real steps to become a true multi-channel retail business. We are changing the trajectory of the Pick n Pay Group, and will build on this momentum in 2019."

Richard Brasher, Pick n Pay Stores Ltd CEO

Value-added services offering strengthened with the addition of TymeBank
SUPPLIER OPPORTUNITIES

Growth
- Understand the role of your categories within Pick n Pay, and be well-informed with appropriate market and brand/SKU performance insights
- Leverage the opportunity to translate data into shopper behaviour, category and store-based insights
- Explore private label innovation and supply opportunities
- Connect with Pick n Pay franchise directly
- Investigate sustainable products and packaging as an increasing priority for Pick n Pay
- Support the roll-out of Pick n Pay Express and Market stores (spaza shops) with more appropriate products and pack sizes for forecourt and Market store convenience

Shopper Marketing
- Targeted Smart Shopper promotions
- Targeted promotions for convenience formats
- Explore pallet deals to support bulk promotions in relevant stores
- Explore opportunities for innovation and range extension within the fresh produce and adjacent sections, given the prominence placed on these sections by Pick n Pay
- Explore the value of in-store promotions
- Look for opportunities to capitalise on Pick n Pay's price promotions

Operations
- Get the basics right – ensure you understand the Pick n Pay systems, in-store space constraints, planograms etc.
- Try to get allocations for new product introductions (perhaps on a sale and return basis)
- In corporate store ensure that promotional indicators are opened to order up for promotions
- Establish ways of contributing to savings in the value chain
- Support Pick n Pay’s goal to improve cold chain

Relationships
- Expect tough buying, be equipped with well-supported fact-based commercial arguments
- Understand Pick n Pay’s strategic priorities and understand the associated KPIs

SUPPLIER THREATS

Growth
- Increased focus on and growth in private label – monitor developments across your categories
- Range rationalisation – products will not be listed unless there is a real shopper proposition and category rationale
- Independence of franchise stores in the listing and replenishment of products – direct relationship required at store level

Supply Chain
- Value based DC stock-holding methodology is questionable and increases risk of out of stocks on high-value items
- Imbalance in functional roles within category management vs space planning, limiting supplier engagement
- Pressure on inventories through closer range management
- Continued complications with centralisation
- Absence of DC controllers across all regions

Operations
- After banning POS, Pick n Pay’s strategy is now to ‘fill the playground’ and this can result in cluttered stores
- Potentially an expensive account to service, given investment at national level and franchise level
- Pick n Pay follow Boxer’s lead with regards to own in-store merchandising
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