

Trade Tatler

NEWS FROM THE CONSUMER GOOD INDUSTRY – FRESH EVERY WEEK

11 January 2024

Well, here we are, at the start of it, a year that promises (or threatens) political changes both here and abroad, that will bring the urgency of climate action into sharper focus, and that will see South Africa's major retailers consolidating the gains they made last year while surviving the challenges known and unknown that will doubtless come their way. And we at the Tatler will be with you every week, keeping you abreast of developments and, we hope, providing the occasional moment of light relief when the going gets serious. Enjoy the read.

YOUR NUMBERS THIS WEEK

One

the no. of **women** CEOs in SA's FMCG retail sector

Zero

the no. of **cash transactions** at WCafé's from now on

R1m

invested by **PnP** in a **back-to-school** support promo

35%

3-month increase in the **Tiger Brands share price**

100%

of **cocoa** in **KitKat** 70% dark sourced from family farms

7

more **years** of **load shedding** planned

RETAILERS AND WHOLESALERS

SA Retailers

Fast forward

We kick off the year by anticipating some themes for 2024 based on developments in the past 12 months. First up: **Shoprite** will continue to both dominate and innovate, based on its vast existing infrastructure and market share, and the impetus provided by the X incubator. **Pick n Pay**, under the experienced leadership of Sean Summers, will mount a spirited challenge, but have a long way to go to make up lost ground. **SPAR** after a very shaky year will consolidate under the new leadership team, and **Woolworths**, with the Australian debacle now disappearing in the rearview, will continue its resurgence under the able captaincy of Roy Bagattini. **Massmart?** Omnichannel, with big daddy Walmart adding some oomph to the offering, and Makro will lean into branding aimed at consumers and shoppers. **Clicks** and **Dis-Chem** will continue to compete in the pharmacy space, although taking different tracks – Clicks by building out its unassailably large dispensary footprint and Dis-Chem through its continued verticalisation of the pharmaceutical supply chain, from insurance on down. And finally, everyone now has their online ordering and delivery infrastructure on the board and in play in the great game of market share – but all of it under the looming shadow of Amazon's launch on the African continent.

Comment: It's going to be an interesting year. And not necessarily in a bad way.

[Tatler Reporter 11/01/24](#)

Clicks

Bertina best foot forward

Clicks CEO Bertina Engelbrecht does not give too many interviews, preferring action to empty prognostications. But she kindly agreed to a sit-down with Nicola Allen of Trade Intelligence in December, to share her views on leadership, retail and the future of the Beloved Country. It's powerful and inspiring stuff. For more of that revealing interview, watch this very space next week!

[Trade Intelligence Research 11/01/24](#)

In Brief

The Protocols of the Elders of Mastercard

Woolies is taking some tentative steps down the cashless path – and let's face it, our children will doubtless be regaling their children with improbable tales of how goods and services could once be procured in exchange for shiny bits of metal. They've announced that as of this month, their WCafé will go cashless for the safety of its customers. This was apparently not a popular move when they tried it in Australia, where cash in transit robberies are fewer and further between; here in the Beloved Country, it seems likely to roll out with less resistance bar some shouting from the conspiratorially minded denizens of the platform once known as Twitter. Moving on, **Pick n Pay** is forking out R1.1m towards school fees and Back to School stationery items, in a promotion for its Smart Shopper members. "We are committed to making a meaningful positive impact on the lives of our customers in 2024, acknowledging the many challenges that the past year has presented to individuals and families," says Chief Marketing Officer Andrew Mills.

Comment: Both canny and meaningful – the hallmarks of a classic PnP promo.

[Tatler Reporter 11/01/24](#)

MANUFACTURERS AND SERVICE PROVIDERS

Tiger Brands

Burning bright

In October last year, Tiger Brands announced the precipitous departure of Noel Doyle as CEO after less than three years in the job, and his replacement with industry stalwart Tjaart Kruger. In three months, Kruger has presided over something of a turnaround in the flagging fortunes of the business, at least according to investors, who have rewarded his tenure with a 35% increase in the share price. In fairness, his predecessor assumed the reins at the start of a period which saw a global pandemic, a war between two of the world's largest grain producers, a historic disruption of global supply chains, the abject failure of our power utility to provide the service for which it is contracted, and the record weakness of the South African rand against major global currencies. How one was meant to run a commodities-dependent business under such circumstances

is one for the historians. Still, things do seem to be looking up for The Striped One, with some pretty solid final results for Doyle before he exited stage left, and a new strategy – also formulated under Doyle – to increase the marketing and supply of its products in spaza stores.

Comment: Heavy is the head that wears the crown, and fickle, sometimes, are the ways of the punters.

[Business Live 07/01/24](#)

In Brief

Bittersweet

As the year opens, the shareholders of embattled sugar giant **Tongaat Hulett** were considering two business rescue plans, one of which would see the acquisition of the business by Robert Gumede's Vision Group, and the other by Mozambican conglomerate RGS Group. The latter withdrew its bid just a day before the voting, claiming that the process had been 'rigged' in favour of Vision. More on this next week as the matter unfolds. Next, **Nestlé's** new KitKat 70% dark variety is made with cocoa mass sourced from families enrolled in the company's cocoa income accelerator programme, which builds on the long-standing work of the Nestlé Cocoa Plan, in place since 2009, that aims to improve the livelihoods of cocoa-farming families and their communities. Finally, sticking with chocolate, **Lindt & Sprüngli** has approved near and long-term science-based emissions reduction targets with the Science Based Targets initiative (SBTi), which has verified Lindt & Sprüngli's net-zero science-based target by 2050.

Comment: Yay science, which to be fair has played a role in getting us into this mess, but without which things will get far worse.

[Tatler Reporter 07/01/24](#)

TRADING ENVIRONMENT

The Economy

I mean we could always burn the Integrated Energy Plan...

A draft of the eagerly anticipated Integrated Energy Plan (IRP) of 2023 was gazetted for public comment this week, purportedly revealing how electricity supply and demand will be balanced in the coming years. Spoiler alert: it won't be, at least until 2030, says the government, with only 2.7 GW of generation capacity under construction of the 29.3GW envisaged. And if you'd like some detail on how things are to be paid for, well, the draft includes no financial or economic data. So – load shedding for the next seven years, and we have no idea what we will be charged for the privilege. On the upside this week, the price of petrol has fallen by up to 76 cents per litre, and diesel by up to 126.cents per litre, as a result of increased production by the US, Venezuela, Guyana, and other non-OPEC countries.

Comment: The OPEC countries are too busy buying other people's soccer teams and need all the \$\$\$ they can get.

[Tatler Reporter 11/01/24](#)

THE WEEKLY GURU

"It is difficult to make predictions, especially about the future."

Yogi Berra

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