

THINK RETAIL 2017

Western Cape



2017

Western Cape

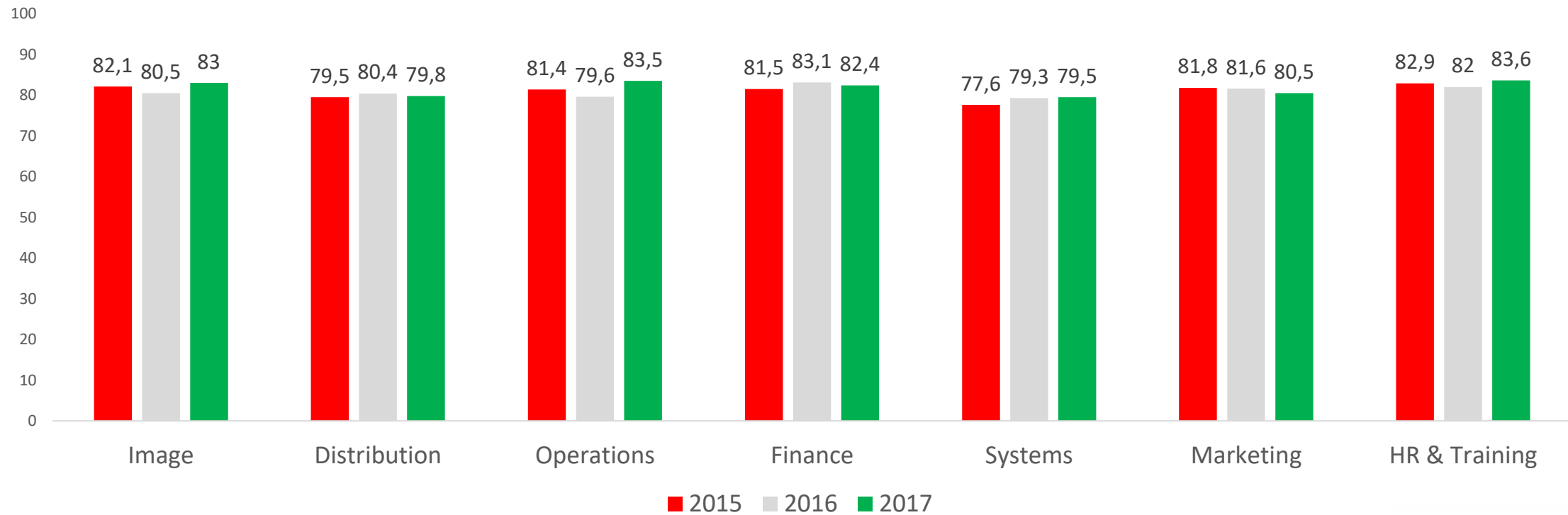
Executive Summary



Dash board: THINK RETAIL 2017

WESTERN CAPE TOTAL

2012	2013	2014	2015	2016	2017	DIFFERENCE (2017 & 2016)
81.3	81.1	81.5	81	80.9	81.6	+0,7



Executive Summary

1. The Western Cape were **one of only two regions which recorded increases in their average overall scores** with a 0,7% increase to an impressive 81,6%.
2. The overall increase was **driven by significant inclines in the SPAR Image and General Attributes (2,5% to 83%) and Retail Operations (3,9% to 83,5%)** scores. Every question on the latter was higher than the previous year's scores. The channels of communication between the retail operations team were said to be open and effective.
3. The **mood in the Western Cape seemed positive** despite the tough economic climate and concern over some of the ailing stores. **Retailers wanted the stores which were struggling to be given the necessary assistance.**
4. **Retail Systems**, although registering a 0,2% increase, had a relatively low score of 79,5%. There were **some concerning trends raised with respect to delays in service being provided and the resolution of retail systems problems.** While the personnel seem willing there were said to be too few people who were effectively trained and equipped to assist with the volume of problems experienced.
5. **Retailers want to further penetrate their markets with bespoke strategies for small stores, country stores, emerging markets etc.**



Perceptions of the DC: Western Cape

What word/s would you use to describe your DC's culture?

- Nice vibe. The staff look happier and more friendly. Closer relationships.
- Supportive.
- **Family** ... I think their aim is about trying to look after the family. One big family business.
- Magic – I am proud to be part of the family.
- They care – like a family.
- Caring.
- It is the same group of retailers that seem to get preferential treatment and feel inclusive but I do feel that its changing and there may be a 'breath of fresh air' coming through.
- A lot of people feel that they can't trust them. Work on their relationships and trust with their retailers.
- Relaxed – I don't want to use the word inefficient but they are pretty relaxed and 'cruisy'.
- They should be more franchisee – friendly specifically in terms of finance.
- Money – we are all in it to satisfy our shareholders.
- **Awesome!**
- Young and efficient.
- Discriminators / politicians.
- Willing and **helpful**.
- Committed and enthusiastic.
- Open and **friendly**. Inclusive.
- Professional.
- Lost connection with the retailers.
- Dynamic.
- Accessible.



Departmental Feedback



SPAR's Image and General Business Attributes

Questions	2016	2017	Difference
The service provided by the DC's main switchboard	84,4	87,9	3,5
Credibility – DC	87,9	81,4	-6,5
Professionalism – DC	85	83,3	-1,7
Friendliness and caring – DC	83,9	83,6	-0,3
Treat you as a business partner – DC	78,6	84,6	6,00
Access to senior management – DC	85,4	84,6	-0,8
Given relevant information at members' meetings	85,2	81,1	-4,1
Regional Committee Effectiveness	75,2	77,7	2,5
SPAR's image and general business attributes overall score	80,5	83	2,5

IMPORTANT: The 2016 overall scores are inserted as per the 2016 calculations. Some questions have been added or removed and a few weightings changed in 2017 i.e. the benchmark is not identical. This applies throughout the survey.



SPAR's Image and General Business Attributes

Telephone calls answered timeously and courteously

- At times there is no answer at all.
- Calls do not go through to the person called and sometimes phones are not answered at all. [Springbok]

Credibility

- We need to make money and they need to make money – sometimes they should be able to give us better deals which we don't always get. They have shareholders whom they have to look after, but so do we. [Vangate]
- We constantly need to follow up on issues – promises are not kept. [Springbok]

Professionalism

- Generally their ability to come back to you timeously or at all is poor (excluding a handful of people) ... I would appreciate it if they would get back to me even if it's just to say we haven't got an answer yet ... getting back to someone and being on time is important in terms of being professional. [Parklands]
- *There are one or two buyers who are not as good as they should be and who impact on the perceived professionalism of the Group. The range and quality of the goods are not as good as they should be.* [Royal Ascot]
- Appearances are professional but there is a lack of credibility. [Springbok]

Friendliness and caring

- When I ask for the DC to help with negotiations we don't get the support. [Belmont]

Treat you as a business partner

- *It used to be a more caring relationship between SPAR and the retailers. In the current economic climate it is more difficult.* [Kuilsriver]
- Some people do but it varies. Sometimes if you have problems they are a bit slow in assisting. The rigid finance structure is not always the best in light of a partnership. [Royal Ascot]
- Shareholders' profits come before the retailers'. [Belmont]
- The DC treats us as though they are a supplier and we are just another client. [Springbok]



SPAR's Image and General Business Attributes

Access to senior management	<ul style="list-style-type: none">• The MD and other members of the DC haven't returned any of my calls for the last three years. [Belmont]• Messages are not always returned.
Given relevant information at Members' meetings	<ul style="list-style-type: none">• Sometimes they make it too 'touchy – feely' – they must get on with it. [Cape Quarter]• It is more about the ideas and less about the stores. [Kensington]
Regional Committee effectiveness	<ul style="list-style-type: none">• We got finance for a new (second) SPAR but someone with friends on the Guild who actually owns a Pick n Pay got approval from the Guild before us – that's not what family is supposed to be. [Belville]• We are still having issues with marketing and our leaflets. We have major issues with our new Rewards programme that they are launching – it's not applicable to us. [Cape Quarter]• I think that they have been here once. They have no effect on us. I suppose I have to go to them but I don't see them as adding any value to us. [Vangate]• Country stores with small turnovers have been neglected. [Belmont]



SPAR's Image and General Business Attributes

How can the Regional Committee add value to your business?

- **More communication, feedback and consultation.** Visit. Some retailers don't know who they are. Others don't need them or feel that they are doing well.
- Communicate better (both ways) in all aspects. Listen to advice given by Guild members. If assistance is needed, pick up the phone. [Alphen]
- Better product selection that is suitable to the format. Make sure that there is no overlapping of similar types promotional products. [Durbanville]
- Each store is different and should be treated as such. The agenda always seems to be pre – scripted. [Greenpoint]
- Transparency would be nice. [Belville]
- They need to give us something that is relevant to us. [Cape Quarter]
- Look after the problem stores and make sure that the stores get the appropriate support from the DC. [Kasselsvlei]
- More interaction especially regarding benchmarking and direct advice on the practical implementation of certain issues in the stores. The ones that are in trouble should get priority. [Kensington]
- Have cohesion between the Guild and the retailers. Better communication from their side – we know that they exist but we have very little interaction with them. [Parklands]
- We never see the senior people from the Guild here ... engage with us. *We really need specialists for bakery and hot foods* etc. (which I don't think that they are). [Royal Ascot]
- Understand regional problems and those of the small retailers. [Belmont]
- Ensure competitive and security strategies to drive growth in emerging markets. [Hilltop]
- Visit my store. [Gansbaai]
- Uniform delivery across all SPARs.
- Some of the members have been there too long.



Distribution and Warehouse

Questions	2016	2017	Difference
Telephone calls – answered in a timeous and courteous manner – during office hours	83,6	81,9	-1,7
Telephone calls – answered in a timeous and courteous manner – after office hours (incl. cell phones)	71,7	7,22	0,5
Messages returned the same day	76,7	78,6	1,9
Deliveries arriving when promised – dry goods	79,6	79,6	0
Deliveries arriving when promised – perishables	83,2	82,5	-0,7
Warnings of delays	80	82,5	2,5
Orders are correct	85	82,1	-2,9
Upliftment of returns	76,4	77,5	1,1
Efficiency of loading and the resultant condition of the product on arrival	78,9	76,1	-2,8
Adherence of the truck to cold chain disciplines	N/A	84,1	N/A
Distribution and warehouse overall score	80,4	79,8	-0,6



Distribution and Warehouse

Telephone calls answered timeously and courteously

- They take too long to answer and if you do get through they don't always put you through to the right person. [Protea Heights]
- The switchboard system at the DC is poor, not the people. [Belmont]
- It is sometimes difficult to get hold of the buyers. [Paarl East]
- If you phone after hours, you get through to security. [Greenpoint]
- *When you phone outside office hours it is because you have a problem and that is when the necessary expertise is not available.* [Parklands]
- *We had a situation where we called and were told that it could only be explained to me on Monday – not great!* [Royal Ascot]
- You can't find people after 4pm. You should be able to get hold of people especially at the DC.
- Messages are not always returned and may have to be followed up.

Deliveries arriving when promised – dry and perishable goods

- Less than 40% will arrive at our delivery time of 2pm. They mostly arrive around 5pm. [Kensington]
- The truck often breaks down ... early deliveries are fine but deliveries scheduled for 4pm are often late. [Protea Heights]
- Late afternoon deliveries are often late and come at 5pm instead of 4pm which means we have to move the employees' slots around. [Parklands]
- They are late. We are told that the problem lies with the DC especially this year.
- Month end and peak time deliveries are erratic.

Warnings of delays

- **Retailers are not always warned.**
- We don't get informed. [Durbanville]
- They don't warn us. We have to call them. [Parklands]



Distribution and Warehouse

Orders are correct

- Butchery orders are continuously wrong. We get orders without invoices and invoices without orders. [Springbok]
- They send us others stores' invoicing.

Upliftment of returns

- **It takes too long.** [Protea Heights, Springbok & Belmont] Drop shipment returns need to be communicated to the supplier. [Springbok]
- It normally takes 2 - 3 days for the upliftment but sometimes it takes longer. [Kasselsvlei]
- We have noted a marked improvement since June. [Hilltop]

Efficiency of loading and the resultant condition of the product on arrival

- **The incorrect packing of the trucks can lead to damages.**
- Sometimes goods are packed close together in the truck and when we try and pull them out some of the product packages are broken. [Belville]
- We have problems with our sugar – when offloading, it gets damaged. Sometimes our goods are packed incorrectly i.e. where the perishables are not loaded in the front so we can't offload them first. [Kasselsvlei]
- Poor packing results in the pallets falling when being off loaded. [Hilltop]
- The products are not loaded correctly into the trucks which results in damages. [Springbok]
- Issues with sugar, rice, flour and pet food bags. [Paarl East]
- Damages occur when softer items are placed at the bottom.

Adherence of the trucks to cold chain disciplines

- SPAR's cold chain management from DC to store is not good relative to industry standards. I get a combined delivery with another store. When delivering at the other store, the cold chain is broken. [Durbanville]
- Chicken is hot at times as there are no ice bricks in the cooler boxes.



Retail Operations

Questions	2016	2017	Difference
Telephone calls – answered in a timeous and courteous manner	86,1	87,8	1,7
Messages returned the same day	82,2	84,6	2,4
Frequency of contact – ROM	86,4	88,9	2,5
Frequency of contact – senior ROM	79,2	81,1	1,9
Competence – ROM	83,2	88,2	5,0
Competence – Senior ROM	83,8	86,2	2,4
Understanding your needs – ROM	83,2	87,9	4,7
Understanding your needs – senior ROM	80,4	82,7	2,3
Effectiveness of the TSP	73,5	78,6	5,1
Prompt feedback on issues raised – ROM	85,4	87,9	2,5
Their communication to you – ROM	85,7	87,9	2,2

Retail Operations

Questions	2016	2017	Difference
Advice given from the planning department	75,2	80	4,8
Advice given with respect to store layout, design and equipment	74,2	81,2	7,0
Assistance at time of opening or upgrading store over the last 12 months	71,5	79,4	7,9
Provision of solutions / action plans	74,1	80,5	6,4
Effectiveness of Value Added Services	N/A	80	N/A
Effectiveness of Insight	78,9	85,3	6,4
Effectiveness of the team to review the range and suggest changes – CATMAN	75,4	79,2	3,8
Effectiveness of the shelf layout – CATMAN	79,6	81,9	2,3
Communication to you – CATMAN	81,3	84,2	2,9
Feedback on store – specific issues – CATMAN	80,4	83,5	3,1
Assistance at time of opening or upgrading your store – CATMAN	81,3	85,3	4,0
Retail operations overall score	79,6	83,5	3,9

Retail Operations

Percentages	2016 Yes	2017 Yes	2017 No	2017 N/A
Does your ROM have an agreed call cycle with your stores?	70	70	30	0
Are you satisfied with the frequency of the visits?	90	87	13	0
Is there a tailor – made service plan [TSP]?	93	90	7	3
Is feedback on new concepts and industry updates received?	80	87	13	0
CATMAN stores (as per retailers)	87	83	17	0
Do you use INSIGHT?	63	63	37	0



Retail Operations

Messages being returned	<ul style="list-style-type: none">• They don't phone you back. [Parklands]
Frequency of contact – ROM	<ul style="list-style-type: none">• There is no contact unless they need something from us. We had a change in our ROM ... the TSP has been ignored. [Parklands]
Frequency of contact – senior ROM	<ul style="list-style-type: none">• More frequent visits are required from the senior ROMs.• Our senior ROM has never gone through the TSP with us. [Parklands]• There is no call cycle in place nor an SLA. I would like to see my ROM once a month and my senior ROM once a quarter. [Durbanville]• I would like him to call and just check in even if it's just once every six months. [Kensington]• Contact with him is next to nothing. [Parklands]• I would like to see them here. Nice guy but we last saw him at our opening more than three months ago. [Royal Ascot]• Who is our senior ROM? [Eastcliff]• Did not visit my store last year. [Gansbaai]
Understanding your needs – ROM	<ul style="list-style-type: none">• I would like them to know the five most important things we need to do with regards to our TSP. I know at least two things which we set out to achieve which we are not achieving but they wouldn't know what those are. [Parklands]



Retail Operations

Effectiveness of the TSP

- A lot of the stuff is thumb – sucked and doesn't make sense. [Belville]
- We need to come together to find a way to be profitable. [Kasselsvlei]
- It has been done but there has been no follow up or come back. We have shelved it because SPAR have shelved it. [Parklands]
- I do my own thing ... and give them a copy. [Royal Ascot]

Suggestions on how the TSP can be improved to add more value and relevance to your business

- Some of the retailers are happy with the TSP in its current format.
- They should focus on the store and not be cluster- driven. [Greenpoint]
- They need to look at actual figures. We don't see the TSP as a tool to drive the store. [Belville]
- Work on management information / data. We need something operational to which we can refer. [Cape Quarter]
- Help me with ideas and feedback. Go through the relevant aspects with me. [Kasselsvlei]
- Be active and caring. It has to be driven into the business, not left as a tick box formality. [Century]
- Help people to understand the financial impact. Many of the younger retailers out there would value understanding the financial aspects of the TSP. [Kuilsriver]
- Just USE it. It is ignored. [Parklands]
- There should be more interaction on the setting of goals and it should be reviewed on a more regular basis. If the ROM visits monthly, it should be reviewed monthly. [Royal Ascot]
- Maybe give us the main points that we need to do i.e. an action plan. It needs a more pro-active approach and focus on what we should be doing rather than what we have done. [Vangate]
- We need the DC's commitment on specific store requirements. [Hilltop]
- It needs to be looked at from a retailers' point of view, not a corporate point of view.
- Satisfied with the existing arrangements due to the open channels. [Kalahari Mall]



Retail Operations

Expectations of your ROM versus what is currently being delivered

- **Many of the retailers were very happy with the service that they were receiving. Some of them noted that they were very satisfied with the fact that they could ask for assistance and receive it readily.**
- **More communication.** More assistance for the stores that need it. [Alphen]
- More time. [Durbanville]
- We would like management information. We would like a system from which we could mine the correct data so that we could run our business better. [Cape Quarter]
- *Help me with legal issues and compliance as I don't have knowledge of this.* Communicate and assist. [Kasselsvlei]
- We would like to hear what other people are doing and combine it with our ideas ... our ROM is great! [Kuilsriver]
- Tell us industry news i.e. who is performing within retail and who isn't; new concepts competitors are introducing and how we can combat these etc. Walk through our store and tell us where we can sharpen up or keep up with our competitors. [Parklands]
- Spend more quality time with us. [Royal Ascot]
- Our ROM has a lot of stores to look after ... perhaps get someone else to help. [Vangate]

Advice given from the planning department

- Come and see us with new ideas. You have to be on their case for them to be here.
- The whole department needs to be jacked up. There is something wrong with it. They budgeted our upgrade at R5 million and it turned out to be R8 million.

Assistance at time of opening or upgrading

- We need other retailers or the Guild to advise us and for us to have confidence in our upgrade. [Belmont]



Retail Operations

Effectiveness of the Value Added Services Platform	<ul style="list-style-type: none">• The system is very slow. [Cape Quarter]• It should be integrated at our POS. [Kensington]• Look at more social and sports ticket options such as Computicket.
Effectiveness of Insight	<ul style="list-style-type: none">• The new format is a bit difficult for me to get the information I require quickly – I probably just need to get used to how it works now. [Paarl East]
CATMAN – Effectiveness of the team to review the range and suggest changes	<ul style="list-style-type: none">• I haven't seen a CATMAN field manager for a least a year. [Durbanville]
CATMAN – Communication	<ul style="list-style-type: none">• Jaco used to call on us regularly and bring things to our attention. It was handy as we kept our fingers on the pulse. Since he has left, the service has dwindled. [Parklands]• We have to contact them otherwise there is no communication. They never contact us. [Durbanville]
CATMAN – feedback on store – specific issues	<ul style="list-style-type: none">• We have to ask for it. [Durbanville]

Retail Operations

Expectations or requirements in terms of the frequency or nature of the service to be provided by CATMAN

- Some retailers were happy with the service. [Greenpoint, Eastcliff, Hilltop, Cape Quarter & Kasselsvlei]
- **Visit more frequently / once a month / quarterly.** [Durbanville, Royal Ascot, Pinelands & Gansbaai]
- When they launch a new product, they should tell us where to merchandise it. [Alphen]
- Visit once a quarter. The CATMAN manager is fine but the people who do the work arrive and then leave without checking in with us. Communication within the CATMAN team is lacking. [Belville]
- Have more CATMAN team members available as they do not come as often as we would like them to. [Cedar]
- Provide a store – specific planogram every three months. They should pull the rate of sale for this store and use this accordingly. [Kensington]
- No issues but they *sometimes include brands that we no longer sell at this outlet and have not been selling as they have been out of stock (not brands that don't sell).* [Protea Heights]
- *We get a list of discontinued products but our staff forget to block ordering these. The CATMAN team no longer block these.* [Century]
- Quarterly visits are suitable. We are looking for good lines / opportunities. [Parklands]
- What they do, they do well but they don't do anything extra i.e. don't say you are missing an opportunity ... maybe they could consider the performance of brands in other stores and question why those brands don't perform as well in our stores. [Vangate]
- Have longer stays with more in - depth visits. Educate personnel. [Springbok]
- Provide monthly feedback on performance of problem areas ... have a quarterly review of areas which need attention. [Paarl East]
- Come during upgrades.
- Makes changes quicker so less time is spent in the aisles.
- Do more maintenance with their teams on the shelves in the stores themselves.



Finance

Questions	2016	2017	Difference
Telephone calls – answered in a timeous and courteous manner	85,8	87,6	1,8
Messages returned the same day	82,1	85	2,9
Accuracy of documentation	87,7	82,5	-5,2
The extent to which 80% of your drop shipment claims have been resolved within six weeks	76,9	74,6	-2,3
Efficient resolution of other queries (excluding drop shipment)	82,8	82,5	-0,3
Finance overall score	83,1	82,4	-0,7

Finance

Accuracy of documentation	<ul style="list-style-type: none">• We have had in – depth conversations with SPAR about this ... procedures have not been followed. [Vangate]
Extent to which 80% of your drop shipment claims have been resolved within six weeks	<ul style="list-style-type: none">• It often takes much longer than six weeks. [Protea Heights]• The same suppliers are a problem with respect to price claims. [Robertson]• We struggle with Tiger Brands to get claimed passed. [Paarl East]• We have problems with Unilever, OLA, Tiger Brands, Beacon and Nestle amongst others.
Efficient resolution of other queries (excluding drop shipment)	<ul style="list-style-type: none">• <i>We do deals and then get invoiced incorrectly. When we talk to them later they say they don't remember ... we have to follow up and check. Negotiated deals need to be invoiced correctly and come to us at the right price.</i> [Vangate]• We reached our credit limit and our order was stopped but we had had no communication that we were close to the limit. The outlet has been growing very fast but the credit limit was not relooked to accommodate for the growth. There are no procedures in place to make sure that this doesn't happen. [Parklands]



Retail Systems

Questions	2016	2017	Difference
Telephone calls – answered in a timeous and courteous manner	84,3	83,2	-1,1
Messages returned the same day	81,1	77,5	-3,6
Resolution of retail systems problems	79,6	74,1	-5,5
Reliability of retail systems – Back Office	79,6	74,6	-5,0
Reliability of retail systems – POS	79,6	83	3,4
Extent to which Sigma offers all the requirements to run your store	77,4	78,9	1,5
Support from systems’ specialists	80	75	-5,0
Service from TradeLink for computer hardware	79,3	77,5	-1,8
Service from TradeLink for the implementation of on – site support of software	80,8	79,6	-1,2
Service from the Velociti Call Centre for EFT & Airtime issues	77,1	80,4	3,3
Overall quality of systems training from TradeLink	77,5	82,1	4,6

Retail Systems

Questions	2016	2017	Difference
Quality of the initial training for the implementation of DStore by TradeLink	N/A	82,5	N/A
Frequency and quality of DC retail systems training on Sigma	N/A	78,3	N/A
Quality of Sigma e – learning material	N/A	85	N/A
Retail systems overall score,,	79,3	79,5	0,2

Percentages	2016 Yes	2017 Yes	2017 No	2017 N/A
Are you using Sigma e – learning in your store?	N/A	40	60	0



Retail Systems

Telephone calls answered timeously and courteously

- You can't get through to them. [Belville]
- Not always answered on time. With retail systems, if POS is not working, the entire business doesn't work ... for them to not answer timeously, even once, is a problem. [Parklands]

Messages returned the same day

- They take days to call you back and often you have to call them back. [Vangate]
- I think that they are just too busy ... or it takes time to resolve the problem. [Kensington]
- You can't get through to leave a message. [Belville]

Resolution of retail systems

- We have major problems with the data on our system. We can't do 'end of days' always – the data is wrong and it's not indexed. It takes a long time to resolve it. [Kensington]
- They often don't know themselves and there is a delay. They must find out and then come back to us. [Protea Heights]
- Still waiting for feedback on an issue posted three weeks ago regarding 'end of days'. [Parklands]
- There is a problem in the system which can't be fixed. When we need help capturing we can't wait for them to figure out the problem. The system crashes regularly and they don't resolve it. [Royal Ascot]
- *Resolution is not timeous. If they don't know an answer they say that they will get back to you – it's left hanging. We can't have that in a fast moving retail environment. Often I have to phone another region to get assistance.* [Vangate]
- They should know the history of some stores and understand our problems.
- Operators don't always know how to resolve store – specific problems.
- SPAR systems issues at store level are not resolved at all times. [Hilltop]



Retail Systems

Reliability of retail systems – Back office

- We have incorrect data. [Kensington]
- My 'end of day' reports tend to crash way too much. [Century]
- We have 'end of day' problems which have not been effectively resolved. [Parklands]
- GRV keeps crashing and it has not been resolved for over a year. [Royal Ascot]
- They local DC guys are just not equipped well enough to get the issues resolved. We cannot wait 2 – 3 days to get issues resolved. [Vangate]
- Some days Sigma shows different figures to DStore. [Hilltop]

Reliability of retail systems – POS

- We have had security issues which took them four months to resolve. [Durbanville]

Extent to which Sigma offers all the requirements to run your store effectively

- I would like to see a live stock problem where I could see accurately what stock remains according to the sales I had this morning. [Durbanville]
- The system is antiquated and we have already put our name down to be one of the first stores to go onto the new system. SPAR recognise the problems and are doing something about it but it has taken a long time. If I have a query on a GP it is very difficult and cumbersome to get an answer and there are times when you can't get an answer as the system is not up to it. [Royal Ascot]
- It can be improved. We have made recommendations. We are waiting for feedback 9 – 10 months later. [Vangate]

Support from systems specialists

- Not enough people who understand the system ... there is an insufficient pool to get Sigma operators from so we run with a system that is detrimental to the business. [Parklands]
- They don't often tell us why something happened so they don't know themselves. When you phone the helpdesk you are unlikely to get answers. I feel as though we disturb them but we need answers. [Royal Ascot]
- They try their best but they can't do much as there is a skills shortage. [Vangate]
- Whenever there is an update or a fix on the system consequent problems occur at first.



Retail Systems

Service from TradeLink for computer hardware maintenance	<ul style="list-style-type: none">• They have a new system where you log a call and they see who is available. It sometimes takes 3 - 4 days before they attend to us and when they do they often come at 5 o'clock, our busiest time and then still struggle to find the problem. [Protea Heights]• Until recently it was fine but now they've moved operations to Durban so we call Durban only to be told to phone Cape Town and they are not available ... a mess. [Parklands]• There is a lack of urgency and competency issues.
Service from TradeLink for the implementation and on site support of software	<ul style="list-style-type: none">• They have some good technicians who they don't seem to send out on calls anymore. They reserve their better guys for the bigger jobs and the guys they send to us are struggling. [Protea Heights]• Whenever work is performed on the system consequent problems always occur and 'end of day' become problematic due to this. The process takes too much time to be resolved due to the reporting system in place.
For EFT and airtime issues, the service of the Velociti call centre	<ul style="list-style-type: none">• They take too long to help you and / or come back to you. [Protea Heights]• It is hard to understand how it feeds through the system i.e. what is VAT-able and what isn't ... you don't feel as though you are in control. [Royal Ascot]• Calls made from 5pm are not resolved on that day. [Hilltop]• We have a lot of downtime on the system.• They take a long time to resolve the problems.
Overall quality of systems training from TradeLink	<ul style="list-style-type: none">• We don't get training from them. [Protea Heights]• They should come more often i.e. at least once every three months. We need a lot more assistance as our cashiers change a lot.



Retail Systems

Quality of the initial training for implementation of DStore by TradeLink	<ul style="list-style-type: none">• They need to spend more time doing the training.
Frequency and quality of DC Retail Systems training on Sigma	<ul style="list-style-type: none">• <i>You have to book and pay for it – in the Eastern Cape you don't get charged for it.</i> [Kensington]• We have to wait for specific training courses as there are not enough people registered for the course. I think it goes back to the fundamental misunderstanding of how important Sigma is to the business and the availability of support and training personnel who can operate the system efficiently. [Parklands]• We need more Sigma training scheduled for stores. [Hilltop]
Reasons for not using Sigma e – learning	<ul style="list-style-type: none">• Lack of awareness. [Hilltop, Kasselsvlei & Parklands]• Not motivated enough. [Pinelands]• Not enough time to implement. [Kuilsriver]• Financial. [Belmont]• We have five stores and use Gateway SUPERSPAR in Hermanus as our e-learning hub. [Gansbaai]• We need more office space.• We will once we have refurbished.
Quality of the e-learning training material	<ul style="list-style-type: none">• We cannot download the programs because the Telkom line is too slow and we haven't been able to use it in the last three months.



Marketing and Promotions

Questions	2016	2017	Difference
Telephone calls – answered in a timeous and courteous manner	83,7	84,1	0,4
Messages returned the same day	83,3	84,3	1,0
Notification of promotions	85,4	86,7	1,3
Promotions / advertising programme catering to your needs	76,8	77,5	0,7
Sufficient promotional materials provided	82,9	82,5	-0,4
Reliable product and price updates	82,5	84,3	1,8
Response to queries and problems	81,8	82,5	0,7
SPAR brand products - quality	84,3	85,7	1,4
SPAR brand products - range	86,4	83,9	-2,5
FRESHLINE products - quality	71,9	75,9	4,0
FRESHLINE products - range	79,3	78,9	-0,4

Marketing and Promotions

Questions	2016	2017	Difference
Tender and Tasty - quality	84,8	87	2,2
Tender and Tasty – range	81,6	82,2	0,6
SAVEMOR – quality	72,9	77,4	4,5
SAVEMOR – range	80	70	-10,0
Size or shipping pack configurations ex – DC – suitability to your store’s requirements	80,4	72,9	-7,5
Accuracy of promotional order taking	81,4	78,2	-3,2
User friendliness of the promotional ordering system	81,8	80,4	-1,4
Communication to you including Retail Studio	82,1	83,8	1,7
Effectiveness of SPAR Rewards for your store	N/A	72,9	N/A
Effectiveness of the SPAR Rewards Text Me service	N/A	76,4	N/A
Overall marketing and promotions score	81,6	80,5	-1,1



Marketing and Promotions

Percentages	2016 Continue	2017 Continue	2017 Develop a new one	2017 N/A
Do you believe we can continue with the My SPAR campaign or is it time to develop a new campaign?	67	57	43	0
	2016 Yes	Yes	No	N/A
Are you using the SPAR Rewards Text Me service?	N/A	50	43	7



Marketing and Promotions

Telephone calls answered timeously and courteously	<ul style="list-style-type: none">• Often the phone just rings. [Pinelands]• You sometimes battle to get through.
Promotions and advertising programme catering to your needs	<ul style="list-style-type: none">• We can't use a lot of those products. [Cape Quarter]• Competitor promotions have a much larger variety of brands on promotion than SPAR. Consumers will go wherever the promotional basket looks better. Our promotion recently for Eid was very sparse in comparison to our competitors. They don't cater to our needs. [Vangate]• The TV lines are not suited to the market and some monthly promotion are tired. Mid – month promotions are not effective. [Hilltop]• We need to run our own programme to fit our stores' needs. [Springbok]
Sufficient promotional materials provided	<ul style="list-style-type: none">• <i>The material that they gave me this month is exactly the same material that they gave me nine years ago.</i> [Cape Quarter]• POS are always late! [Eastcliff]• It would be nice to know what material we should get and on which truck. [Paarl East]
Response to queries and problems	<ul style="list-style-type: none">• They listen to you but you don't get the response you want, or do anything about it. [Vangate]



Marketing and Promotions

SPAR brand products	<ul style="list-style-type: none">• I think that there are many opportunities which we can copy from Woolworths that could be suitable for our business. [Durbanville]• The SPAR brand 'Dishwash It' does not compare to the price point which is normally R1 cheaper than Sunlight Liquid. The Germex dishwashing range definitely performs like a premium product. [Paarl East]
Freshline	<ul style="list-style-type: none">• Fresh fruit and vegetables don't have the same quality as our competitors. [Belville]• Woolworths have a lot of value added products which are superior to SPAR in terms of Freshline. [Royal Ascot]
Tender and Tasty	<ul style="list-style-type: none">• Woolworths have a larger range. [Royal Ascot]
SAVEMOR	<ul style="list-style-type: none">• The range is limited – this brand works well in our market. [Vangate]• Not enough range. [Pinelands]• Poor quality on most SAVEMOR products. [Hilltop]
The size or shipping pack configurations ex – DC – suitability to your store	<ul style="list-style-type: none">• Re Freshline, the pack sizes are not customized which results in us either not stocking the range or experiencing severe waste. [Parklands]• LUGs are too big – they need to make the minimum quantities smaller. [Springbok]• There are a few things that they will not negotiate on the order size.
Accuracy of promotional order taking	<ul style="list-style-type: none">• There are <i>too many out of stocks</i> which mainly happen during the course of the promotion – very frustrating! [Protea Heights & Royal Ascot]• Deleted products are causing problems. [Eastcliff]• Out of stocks from the first drop. [Gansbaai]



Marketing and Promotions

User friendliness of the promotional ordering system

- It's not integrated on the Sigma system. All the other DC's just use Sigma which is much easier. We have to use another system to order promotional items which then does not show on Sigma until the goods arrive. [Kensington]
- Not user – friendly. There is so much to update on the system and it is not easy if you have never been exposed to it before. Some instructions may help ... the system is stuck in the last decade and is uninspired and difficult. [Protea Heights]
- We are still using the old extranet system. It would be nice to see how much we ordered on the previous promotion or how much was sold – just to try and get closer to how much we actually need for the promotion. [Paarl East]

Communication to you

- I am struggling to find items on Retail Studio. I have tried the search function but it doesn't seem to work for me ... I struggle to navigate what I am looking for. [Paarl East]

Effectiveness of SPAR Rewards

- Does not work for us. [Greenpoint & Cape Quarter.]
- It doesn't provide enough easily accessible information. We need to be able to ACCESS the information i.e. customer geography and spend is useful. I have to phone to get this information and people never get back to me. *The brands that are on promotion are not applicable in our market.* [Vangate]
- The **products linked are critical**. If it is done nationally it is not effective but if we could select the products that would be relevant to our market then it could work. [Vangate]
- We can't get it going at all. A loyalty card would work better than the Rewards.
- More products are needed on SPAR Rewards. [Kalahari Mall]



Marketing and Promotions

Effectiveness of SPAR Rewards Text Me

- **Too early to tell.**
- The functionality is missing. [Kasselsvlei]
- It is not as flexible as a loyalty card. [Springbok]

Reasons for not using SPAR Rewards Text Me

- We are busy connecting ourselves. [Alphen]
- It does not work for us. [Greenpoint]
- We are waiting for it to be activated. [Cape Quarter]
- My laziness – I need to look at it. [Century]
- We have a cheaper system in operation and it is easier to use. [Parklands]
- Not enough support. [Pinelands]
- Characters are too 'little' – not as good as a loyalty programme. [Springbok]
- Using a loyalty card system. [Springbok]
- We do not have enough Rewards customers.
- In the process of switching to Text Me.



Human Resources and Training

Questions	2016	2017	Difference
Telephone calls – answered in a timeous and courteous manner	85	86,4	1,4
Messages returned the same day	83,2	87	3,8
Professionalism – HR	86,9	87,6	0,7
Leadership – HR	81,6	83,8	2,2
Advice on minor IR issues and referral to the relevant IR service suppliers	82,9	85,5	2,6
Value of the HR information on Retail Studio	82,5	86,5	4,0
Value of the training needs analysis conducted by the Retail Training Department	75	80	5,0
Relevance – training	80	83,2	3,2
Professional - training	81,6	83,6	2,0
Quality of material – training	81,2	85,8	4,6
Flexible to the needs of your business - training	79,2	77,6	-1,6
Adds value to your business - training	83,2	83,6	0,4

Human Resources and Training

Questions	2016	2017	Difference
SPAR Academy training material - understandable	83,3	80,5	-2,8
SPAR Academy training material - relevant	82,5	82,3	-0,2
SPAR Academy training material – of high quality	81,7	82,7	1,0
Effectiveness of e – learning material	N/A	81,8	N/A
Overall human resources and training score	82	83,6	1,6

Percentages	2016 Yes	2017 Yes	2017 No	2017 N/A
Do you use the services of the Retail Training Department?	90	73	23	4
Have you used e – learning content from SPAR?	N/A	70	27	3

Human Resources and Training

General	<ul style="list-style-type: none">• Very few of the Western Cape retailers used the services of SPAR's human resources department.
Telephone calls answered timeously and courteously and messages returned	<ul style="list-style-type: none">• We have had serious issues where I have required information from them and they haven't been able to answer me timeously. They don't get back to you. [Parklands]
Training	<ul style="list-style-type: none">• Most of the training is done at the distribution centre specifically for our service departments through department specialists. [Durbanville]• We are too far from Cape Town. [Belmont]• It is difficult as we are 900km away from the DC. [Kalahari Mall]
Value of the training needs analysis	<ul style="list-style-type: none">• They have never done anything. [Durbanville, Belville, Protea Heights, Parklands, Royal Ascot & Kuilsriver]
Training – relevance	<ul style="list-style-type: none">• They don't have proper training programs, nor do they go to the stores to train on service. They don't have a good training module for customer service. [Cape Quarter]
Training – professional	<ul style="list-style-type: none">• They went and put one of my managers on a manager training programme without my permission and then sent me an invoice. [Cape Quarter]• When we implemented e – learning here it was horrendous. Our network had to be of a certain specification. TradeLink came and modified it and they tried to install it again, unsuccessfully ... they had to come back three times! [Cape Quarter]
Training – flexible to the needs of your business	<ul style="list-style-type: none">• It's all standard. [Cape Quarter]• Transport to the SPAR Academy in Durban is expensive.



Human Resources and Training

Training – adds value to your business

- The fact that we are not using it should tell them that they have a problem. I pay an outside person to train my staff at triple the cost the DC would charge ... I phoned them three months ago for training and I am still waiting for the dates. It needs to be specific to the industry. What happened to AWEH? [Cape Quarter]

Effectiveness and relevance of e-learning

- Some retailers felt it was too early to rate the system.
- It should have been on a cell phone APP or a tablet. [Cape Quarter]

Reasons for not using the e-learning system

- Money and time. [Belmont]
 - We require more space and facilities.
 - We are busy with proper venue planning in the store. [Kalahari Mall]
-

Miscellaneous feedback

- I think the retailers should take criticism positively. We are all in the same boat and need to work closely together and uphold the SPAR brand to the highest level. Retailers need to ask for help from the DC if necessary. [Alphen]
 - The DC should listen more to what the retailers are saying. [Durbanville]
 - The stores that are not 'up there' should receive more attention than those that are up there. [Kensington]
 - Claims need to be processed quicker and the tech guys need to sort things out. Time is important to retailers. [Protea Heights]
 - *I would love to see SPAR spending a bit more money advertising our products and brands. The other big retailers all have bigger advertising budgets.* [Kuilsriver]
 - We shouldn't be dealing with suppliers for drop shipments. They took the money, they made the error and they should sort it out. [Royal Ascot]
 - Smart Chef is a headache as there is never stock available. [Eastcliff]
 - The DC must start to look after the retailer and not the shareholders. They need to listen, understand and appreciate and acknowledge smaller and older retailers who have been with SPAR for a long time. [Belmont]
 - There is huge potential for the SPAR brand to grow its footprint in the townships of Cape Town. [Hilltop]
 - Out of stocks were a huge problem in December. [Gansbaai] Echoed by another retailer who noted, out of stocks are a major concern.
 - We are in it together friends! [Robertson]
 - *Where does the retailer stand with online shopping in 15 years?*
 - The DC seems under pressure and on edge. You don't see the senior management anymore. It is getting difficult to contact them.
 - We enjoy the freedom SPAR allow us to retail within and the support we receive from the SPAR DC and fellow retailers.
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Appendix



Background and Reporting

Objectives:

1. To benchmark the performance of SPAR's operations;
2. To highlight areas of strength and weakness and
3. To provide constructive feedback to enable SPAR to address any possible concerns.

Frequency:

Annually, but based on the last six months' performance.

Changes:

Questions regarding My Customer were removed.

The question on cell meetings was deleted.

A new question was introduced to Distribution and Warehouse as follows: 'Adherence of the trucks to the cold chain disciplines'. The section was shortened.

Reliability of Retail Systems was split into two sub – questions to determine reliability of (a) the Back Office and (b) POS.

The TradeLink questions were rephrased for clarity.

A new question was included regarding SIGMA e-learning (under Retail Systems) as well as e-learning in general (under Human Resources and Training)

Questions regarding SPAR Rewards and the TEXT ME facility were added.



Reporting

- The Human Resources and Training section contribution to the overall average score halved so each section i.e. SPAR Image and General attributes, Distribution and Warehouse etc. all have a weighting of 1 except Human Resources and training which is weighted half. The reasoning is that not all retailers make use of these services.
- Participants were asked to rate the statements from 1 to 10 where:

10	9	8	7	6	5	4	3	2	1
Extremely satisfactory		Fairly satisfactory		Neither satisfactory nor unsatisfactory		Fairly unsatisfactory			Extremely unsatisfactory

- Where ratings were 6 or below, retailers were asked to provide insight into their comments. This is essential in order to address problems. It does, however, mean that most of the comments are negative. The comments should be reviewed in conjunction with the scores obtained, especially as the feedback may only represent one retailer's opinion.
- Please note that some retailers comment even when rating something above 6 (e.g. I will give them a 7 over the six month period, but during peak seasons it is really a 2.) Alternatively they may provide a good rating but want to bring an issue to SPAR's attention.
- The format of the graphs has changed to provide a more concise overview while ensuring that all the relevant information is reflected.

Reporting

- The highest and lowest scores in each region are removed to reduce any potential skews, but all the retailers' comments have been included. Similarly, where retailers completed less than half of the survey their scores were removed, but their comments were included. The same applied to corporate stores if they were identified as such.
- Comments are not verbatim and may have been changed to provide a better understanding.
- Due to the volume of responses it is not possible to transcribe each comment in the presentation, so trends have been drawn and certain quotes may be used to convey retailers' opinions.
- Comments are provided by store name where the retailer has not elected the confidentiality option. Please use the information supplied with discretion as retailers who are approached and challenged about their responses tend to refuse to participate in future surveys.
- Where the term “most” is used this refers to the retailers who commented and not necessarily to the whole sample.
- Underlining has been used to indicate that a particular point has been raised by more than one retailer. **Bold** print emphasises that this was a significant trend.
- Scores are calculated on the number of retailers answering the question.
- A random sample was selected with an effort to ensure representation of all the group owners and across the various regions. Face-to-face interviews (and in exceptional circumstances telephone interviews) were conducted with about 60% of the retailers. The balance [for those retailers in the outer lying areas] and a sample of retailers [within the prescribed sample specifications and sizes] was selected to participate via self – completion electronic surveys.



Sampling

	PERSONAL			SELF COMPLETION			BOTH	
	TARGET	2017	DIFFERENCE	TARGET	2017	DIFFERENCE	TOTAL 2017	DIFFERENCE
EASTERN CAPE	12	12	0	8	9	+1	21	+1
WESTERN CAPE	18	18	0	12	12	0	30	0
LOWVELD	5	5	0	5	7	+2	12	+2
NORTH RAND	16	16	0	12	9	-3	25	-3
KZN	20	20	0	12	11	-1	31	-1
SOUTH RAND	28	28	0	17	15	-2	43	-2
TOTAL	99	99	0	66	63	-3	162	-3

The above figures reflect the number of questionnaires **completed**.

With the electronic system used some entries were not fully completed by the retailers. Where too few questions were rated, these scores were removed and they have not been included in the sample figures above. The corporate store was also removed. All comments are however included. The overall sample was marginally lower than the 2016 sample due to incomplete questionnaires and a general apathy by the retailers. Over 30 hours were spent on the telephone requesting retailers to submit their self – completion forms and / or asking them to fully complete their surveys.



CATMAN Stores

Percentage retailers who said that their stores were registered as CATMAN stores.

	2014	2015	2016	2017
GROUP	90	89	90	92
LOWVELD	93	86	100	83
EASTERN CAPE	94	83	100	81
KZN	84	94	91	97
WESTERN CAPE	88	93	83	83
SOUTH RAND	88	81	83	98
NORTH RAND	100	96	89	100



Confidentiality Option

PERCENTAGE REQUIRING CONFIDENTIALITY		
	2016	2017
EASTERN CAPE	9	10
WESTERN CAPE	23	23
LOWVELD	27	8
NORTH RAND	15	8
KZN	24	13
SOUTH RAND	15	9
TOTAL	18	12

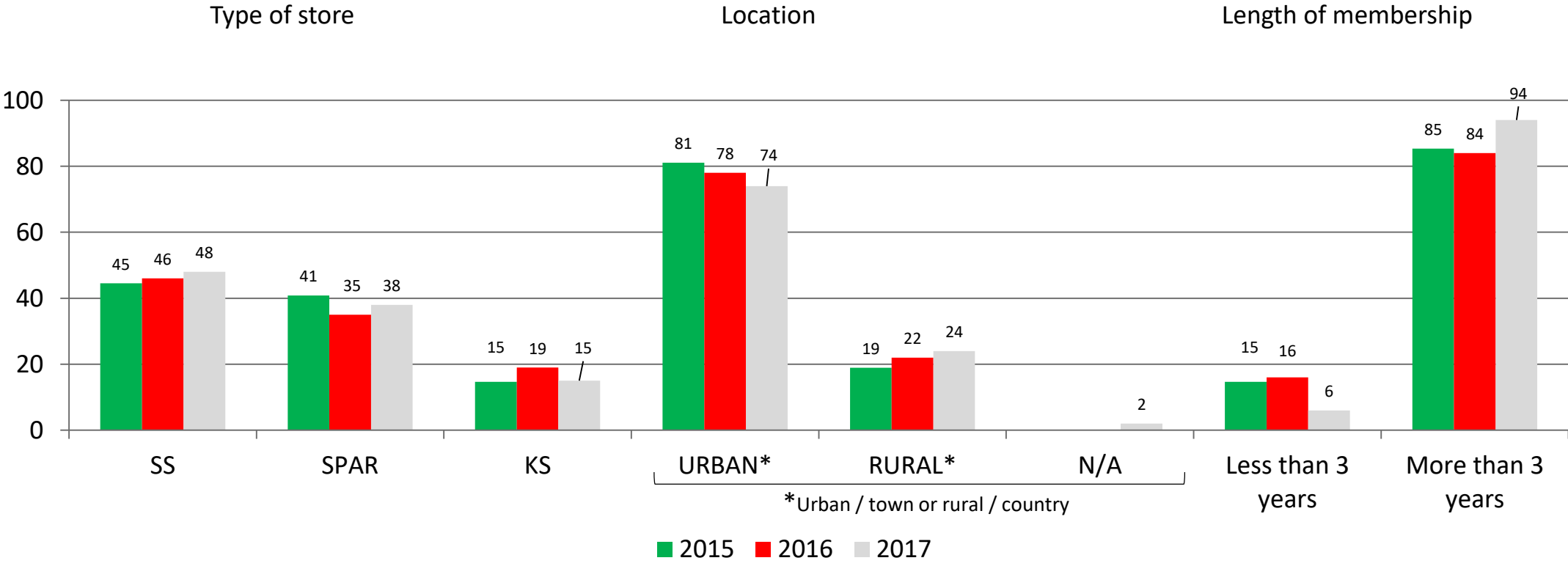
The percentage of retailers requiring confidentiality decreased.

Those wanting to remain anonymous tended to be those with more negative comments. Those actively involved with SPAR i.e. the Regional Committee members and group owners were generally happy to waive the confidentiality option.

Many of the retailers mentioned that SPAR was already aware of their opinions.



Store Profiles [National]



Thank you

