

Spar to roll out grocery delivery service in Johannesburg

In a trading update for the 18 weeks to end January 2022, retailer Spar announced that its consumer-facing e-commerce delivery platform Spar2U will be available in Johannesburg in March 2022.



Source: Spar

Spar <u>announced in November 2021</u> that it would trial the delivery service, with the aim to offer an online shopping solution that serves Spar consumers but also adds value to its independent retail partners and the communities in which they operate.

"Although many of our retailers have been quick to respond to consumers' needs for online shopping, we have recognised the need for a sophisticated offering, tailored for our unique business model," CEO Brett Botten said at the time. "We believe that the Spar business model requires an online shopping solution that serves our Spar consumers but one which also will add value to our independent retail partners and the communities in which they operate," he added.

Following a successful pilot, Spar has now confirmed that the Spar2U service will be made available in a group of stores in the northern suburbs of Johannesburg by the end of next month. The service will deliver groceries and liquor to online shoppers.

"Interest levels from Spar retailers to utilise the new platform remain high and this will enhance the group's ability to assist retailers in driving improved consumer service and engagement going forward," Spar said in the new trading update.

Once expanded to other areas and cities, the Spar2U service will compete with the likes of Checkers Sixty60, Pick n Pay ASAP and Woolies Dash.



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Lauren Hartzenberg 14 Feb 2022

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Alcohol sales surge

In its trading update, Spar said that group turnover increased by 5.8% to R45.5bn for the 18 weeks ended 29 January 2022.

Notably, it saw wholesale sales growth of 8.2%, predominantly driven by the substantially increased liquor sales following the lifting of the liquor bans relating to the Covid-19 pandemic. Spar said sales at its Tops liquor stores jumped by a massive 56% during the 18-week period, in comparison to the same period last year.



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Meanwhile, Spar's core grocery wholesale business increased sales by 3.7% "during a period where grocery retail showed signs of returning to pre-Covid-19 'normality', and aggressive competitor behaviour continued against the of a weakened consumer", Spar said.

Demand for building materials at its Build It business saw a 1.8% sales growth, as the demand for building materials slowed down.

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