

Tiger Brands creates *Perfect Outlets* with informal sector expansion

Tiger Brands is expanding its presence in the local general trade and working with customers to create *Perfect Outlets* in the general trade.



Image supplied. Tiger Brands category branding emblazoned on New Rethabile Supermarket, in Tembisa, east of Johannesburg

By implementing robust Route-to-Market support and solutions for its general trade customers, including spazas and mid-wholesalers it is looking to capture significant growth opportunities identified in the informal sector of the economy.

The business' growth objective is to expand its reach and support across 130 000 general trade stores over the next five years. To date, the company has reached more than 46 500 general trade outlets with a target of 50 000 by the end of the year.

Creating the *Perfect Outlets*

In addition to this, its *Perfect Outlets* includes investments in the general trade in point-of-sale marketing execution across the Tiger Brands basket and branded coolers to improve cold availability of Tiger Brands' ready-to-drink beverages.

The aim is to establish 2,000 *Perfect Outlets* over the next five years. To build further brand awareness among consumers in the informal sector and to encourage increased transactional sales of Tiger Brands products, select general trade stores and community walls are being branded with mural stories around some of the company's most recognised heritage and category brands.



5 shifts in the informal trading landscape impacting the sector

Sheetal Patel and Mushambi Mutuma, Accenture in Africa 24 Jul 2023



Largely untapped

"With the local informal market remaining largely untapped and statistics showing that it is growing at a faster rate than the

modern trade, we see exponential room for growth in this segment and are engaging closely to support our traders and better present our brands to consumers at the point-of-purchase.

“By investing to realise these opportunities, we stand to claim a competitive advantage in the market, propelled by the strength of our heritage brands that hold aspirational category positions in South Africa,” says Luigi Ferrini, chief customer officer, Tiger Brands.

This robust execution is part of Tiger Brands’ strategic focus on building a growth pipeline with the tactical aim of winning at the point-of-purchase, recognising the growing importance and contribution of the informal market to the total South African fast-moving consumer goods (FMCG) sector.

Key tactical initiatives

Some of the key tactical initiatives implemented by Tiger Brands in the general trade to grow its presence include:

- The introduction of a mobile cashless payment and order platform solution - an easy process with the delivery of stock from a midi-wholesaler to a spaza store or supermarket within 48 hours, dramatically reducing the risks for customers associated with the handling of cash.
- A trader loyalty rewards programme that offers incentives to encourage traders to increase their Tiger Brands stock orders.
- Using data and shopper insights to ensure an optimal product range, pack sizes and product bundles are available in store to meet shopper needs.
- Investments in township marketing activations.
- Shopper communication and brand marketing campaigns at the point of sale (POS).



#BehindtheSelfie: Nkosodumo Mfini, managing director of Superfoods at Tiger Brands

Karabo Ledwaba 27 Jul 2023



A significant part of the economy

The informal sector is a significant part of the South African economy, contributing at least 6% to the Gross Domestic Product (GDP) and accounting for one-third of local jobs in the country (Stats SA, 2021), demonstrating its significant potential in reducing poverty.

Referred to as the 'hidden economy', the South African informal independent traders, such as spazas, contribute 26% or R184bn of the total R716bn SA FMCG market.

More than 70% of South African households purchase from the informal trade (Trade Intelligence, 2022).

To date, Tiger Brands and its partners have created around 198 jobs within communities where it is executing its route-to-market growth strategy and aims to have created a further 74 jobs, taking the total number of jobs to 272 by the end of September 2023.

A large proportion of these are women. In Tembisa alone, at least 60% of all new jobs created are occupied by women.

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