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THE INTELLIGENCE REPORT



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JULY 2020

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RETAIL INDUSTRY INTELLIGENCE OVERVIEW





RETAIL INDUSTRY INTELLIGENCE OVERVIEW

GLOBAL NEWS

Amazon and Alibaba Remains Among Top Most Valuable Brands Globally

The world's most valuable brands have shown immense resilience during the COVID-19 pandemic, with their total brand value increasing by 5.9%. Top online retailers, such as Amazon and Alibaba remained amongst these top brands, with Amazon retaining its number one position, and Alibaba coming in at number six. (2 July 2020)

Walmart Launches Virtual Summer Camp and Drive-In Movie Theatre

In response to the sudden halt and limitations placed on social activities, Walmart has announced the launch of two experiences aimed at re-instilling fun for United States (US) consumers. These two experiences include a virtual summer camp in consumers' back yards, as well as, a drive-in movie theatre at Walmart parking lots. (1 July 2020)

UK Shopping Centres at Risk of Shutting Down

Intu, one of the United Kingdom's largest shopping centre owners, recently warned that it may enter administration, which will lead to the ownership of its business being handed over to a third-party. The company is discussing financial restructuring with lenders, and could file for administration, if a standstill agreement does not materialise. (23 June 2020)

SA NEWS

Shopper Safety Becomes a Greater Concern Amongst Consumers

According to a newly published consumer insights report, SA consumers are no longer only concerned about pricing when it comes to shopping but are now also concerned about measures retailers are taking, to ensure shopper safety during the COVID-19 crisis. (2 July 2020)

Record E-Commerce Performance Provides Hope for the SA Economy

E-commerce transactions are providing hope for the local economy, with transactions hitting an all-time high, in May and June 2020. Although there will be some plateauing, it is believed that the increased adoption of digital commerce is unlikely to diminish, which will further offer relief in an otherwise grim economic environment. (30 June 2020)

SA Malls Negatively Impacted by COVID-19 Pandemic

According to new data released by two of SA's biggest mall owners, shopping centres are still much quieter compared to last year, with the national lockdown and COVID-19 crisis continuing to dampen activity. This has been further exacerbated by retailer rental issues, with reduced rent being collected during this period. (10 June 2020)

COMPANY NEWS

OneDayOnly's Growth Boosted by COVID-19

OneDayOnly, the well-known online retailer, has benefitted from consumers' shift towards online retail channels during the COVID-19 pandemic and the government-imposed national lockdown. As such, the company experienced significant growth in sales during the past four months, increasing by a record 40%. (26 June 2020)

Concerns Regarding Edcon Business Rescuers' Request for Fee Increase

In recent developments, regarding the establishment of a business rescue model for retailer Edcon, the issue and debate arose regarding the fees charged by liquidators and business rescue practitioners. In particular, Edcon's business rescue practitioners are demanding an increase of 157%, which has raised various questions. (24 June 2020)

Puma Embracing Sustainable Textile Production and Dyeing

Puma recently announced its new Design to Fade project, a biodesign project, in collaboration with Living Colour and Streamateria. This project was developed in line with the company's search for a sustainable alternative to both produce and dye textiles. (22 June 2020)

COMPANY FINANCIAL RESULTS

Mr Price Group Limited

According to Mr Price Group Limited's reviewed final results for the 52 weeks ended 28 March 2020, the group performed well, with total revenue from continuing operations increasing by 2.1%, to reach R23.0 billion in 2020. Annual retail sales, which excludes the last two weeks of March 2020, grew 2.7%. (25 June 2020)

The Foschini Group Limited

According to The Foschini Group Limited's condensed consolidated financial statements for the year ended 31 March 2020, the group reported a resilient performance, with revenue increasing by 3.6%, to reach a total of R38.5 billion in 2020. The group's strong performance showed the group's resilience during a challenging and constrained global economic environment. (18 June 2020)

Massmart Holdings Limited

According to Massmart Holdings Limited's COVID-19 impact, sales update, and trading statement for the 23-week period ended 7 June 2020, the group reported a tough trading environment, with total sales decreasing by 10.3% to reach R34.8 billion. The tough trading environment can be attributed to the COVID-19 pandemic and the countrywide lockdown. (17 June 2020)





RETAIL INDUSTRY INTELLIGENCE OVERVIEW

MERGERS, ACQUISITIONS & PARTNERSHIPS

Adidas and Parley Celebrate its Partnership with New Launch

Adidas and Parley are celebrating the fifth anniversary of their partnership, with the renewal of its commitment to eco-innovation and material revolution. In celebration of this milestone, the two companies have recently announced the launch of the new Adidas Parley UltraBoost DNA sneaker. (2 July 2020)

Dis-Chem Partners with Worksgroup for Enterprise Development

Dis-Chem recently partnered with a corporate clothing group, Worksgroup, to support small enterprises and local manufacturing. This partnership will include Worksgroup supplying Dis-Chem with thousands of items, including the production of its staff uniforms, amongst others. (24 June 2020)

INNOVATION & TECHNOLOGY TRENDS

Diesel Reveals its New Virtual Fashion Buying Platform and Showroom

The Italian clothing brand, Diesel, recently launched its new 360-degree digital sales platform and exhibition space, dubbed the Hyperoom. This new virtual platform is aimed at creating an immersive and emotional engagement with its fashion buyers and vendors, who browse collections online. (26 June 2020)

Fashion Industry Undergoes AI Revolution

Artificial intelligence (AI) has become ever-present in all facets of the global fashion industry. This incorporation offers a range of benefits, that will assist the industry with thriving in a consumer-driven era, by enhancing customer services and optimising inventory management. (16 June 2020)

V&A Waterfront Launches Drive-Through Pick-Up Service

The V&A Waterfront has recently launched its new drive-through pick-up station, for consumers seeking to avoid crowded spaces, as a result of the ongoing global COVID-19 pandemic. This service will allow shoppers to order their goods online, and then collect their purchases. (15 June 2020)

SOCIO-POLITICAL FACTORS

Yebo Fresh Gets R2 million Support to Help Those in Need

Yebo Fresh, a Cape Town-based online grocery retailer, has expanded its operations with the help and support from the Scheinberg Relief Fund. The Scheinberg relief Fund contributed R2 million to the SA start-up, to assist with the expansion of its distribution capacity, and food relief efforts, in disadvantaged communities. (30 June 2020)

Pep Launches Lay-by Buddy Initiative

Pep, in partnership with the non-profit organisation, #ImStaying, has launched the Lay-by Buddy initiative, which is designed to bring financial relief to unsuspecting customers by contributing to their lay-bys. This initiative will provide support and assistance to customers due to the loss of income, as a result of the COVID-19 pandemic. (25 June 2020)

Woolworths Shows Support to Public Healthcare Sector

Woolworths recently made a donation worth R700 000 to assist public healthcare facilities in SA. The donation is an attempt to assist the Department of Health with its preparation for a surge in COVID-19 patients, which will result in a shortage of bed linen at these facilities. (10 June 2020)

LEGISLATION

New Advanced Level Three Lockdown Regulations

The Cooperative Governance and Traditional Affairs (COGTA), recently published a new directive which enables more businesses, such as sit-down restaurants, casinos, conferences, and hotels to reopen at the advanced level three lockdown. In addition, the Department of Small Business Development (SBD) has announced the reopening of personal care services, such as hairdressers and beauty salons. (29 June 2020)



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GLOBAL NEWS



GLOBAL NEWS

AMAZON AND ALIBABA REMAINS AMONG TOP MOST VALUABLE BRANDS GLOBALLY

2 July 2020

According to the 2020 BrandZ Top 100 Most Valuable Global Brands ranking, released by WPP and Kantar, the world's most valuable brands have shown immense resilience during the COVID-19 pandemic, with their total brand value increasing by 5.9%. Top online retailers, such as Amazon and Alibaba remained amongst these top brands, with Amazon retaining its number one position, and Alibaba coming in at number six.

Despite the economic turmoil being experienced, the top 100 global brands achieved an increase in value, adding US\$277 billion of brand value growth during the period. The retail sector also showed strong performance, growing the fastest in brand value, with 21%, which was primarily driven by major e-commerce players.

Amazon maintained its position as the world's most valuable brand, growing by 32%, to a value of US\$415.9 billion in 2020. Amazon's value grew by nearly US\$100 billion this year, accounting for approximately a third of the Top 100's total growth in the period.

In addition, Alibaba was the most valuable Chinese brand in 2020, growing by 16%, to US\$152.5 billion. The online retail giant came in at number six in 2020, compared to being the seventh most valuable brand in 2019.

Furthermore, other retail players featured in the top 100, with the traditional retailer Walmart, coming in 27th position, with the company's enhanced investment in e-commerce capabilities. Moreover, retail e-commerce brand, JD, gained the 52nd position, increasing by 24% to a brand value of US\$25.5 billion in 2020.

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WALMART LAUNCHES VIRTUAL SUMMER CAMP AND DRIVE-IN MOVIE THEATRE

1 July 2020

In response to the sudden halt and limitations placed on social activities, Walmart has announced the launch of two experiences aimed at re-instilling fun for United States (US) consumers. These two experiences include a virtual summer camp in consumers' back yards, as well as, a drive-in movie theatre at Walmart parking lots.

According to Janey Whiteside, Walmart Chief Customer Officer, the company acknowledges that the summer holiday has been unusual amidst the global COVID-19 pandemic. As such, the company has taken to play its role in communities that extends beyond the provision of supplies, in the hopes of bringing back some summer fun.

Walmart attempts to achieve this by partnering with Drew Barrymore, Neil Patrick Harris, LeBron James, Idina Menzel, and Todd Oldham, to bring summer fun to children across the country, through a new camp designed for the internet. Each professional will step out of their usual day jobs to serve as camp counsellors and lead children through a range of sessions, including arts and crafts, fitness, as well as other activities to keep them active and entertained.

In addition, Walmart will be working with Tribeca Enterprises for two drive-in experiences, whereby Walmart will be transforming 160 of its store parking lots into contact-free, drive-in movie theatres. The parking lots will act as a safe area for consumers to gather and families will have the option to fill their picnic baskets, by ordering drive-in essentials from Walmart online, which can be picked up on their way to the movie.

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UK SHOPPING CENTRES AT RISK OF SHUTTING DOWN

23 June 2020

Intu, one of the United Kingdom's largest shopping centre owners, recently warned that it may enter administration, which will lead to the ownership of its business being handed over to a third-party.

After facing financial difficulties, Intu has indicated that it may have to shut down some of its shopping centre sites, with the company appointing KPMG to make contingency plans for administration, which could see it losing legal ownership of its business.

The shopping mall operator was reportedly in debt, prior to the start of the global COVID-19 pandemic, in which it had struggled to secure funding and fill outlets at some of its sites. Consequently, Intu is currently discussing financial restructuring with lenders and could file for administration as early as 26 June 2020, if a standstill agreement does not materialise.

According to Intu's latest update, discussion points with stakeholders include the standstill agreement duration, which is not expected to be longer than 15 months, the extent to which creditors will share future valuation recovery, as well as how its individual shopping centres will be funded.

Furthermore, the mall operator indicated that the company is likely to fall into administration, which could lead to some sites being closed down, in the event that the company is unable to reach a standstill agreement.

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SA NEWS



SA NEWS



SHOPPER SAFETY BECOMES A GREATER CONCERN AMONGST CONSUMERS

2 July 2020

According to a newly published consumer insights report, SA consumers are no longer only concerned about pricing when it comes to shopping but are now also concerned about measures retailers are taking, to ensure shopper safety during the COVID-19 crisis.

The insights report, published by BrandsEye, analyses BrandsEye's social media data and the consumer survey data from the Bonsella rewards programme. The data was used to assess shifts in consumer buying habits and consumer priorities during the pandemic.

According to BrandsEye Chief Executive, Nic Ray, complaints regarding retailers have been focused on COVID-19 issues since the lockdown, including price changes, stockouts, and store hygiene. Ray further indicated that while pricing is an unsurprising chief concern amongst consumers, more consumers were acutely aware of the safety and health measures that are being put in place by retailers.

These health and safety measures were found to be a key influencer, regarding where consumers decided to do their shopping, with the majority of the shoppers surveyed wanting COVID-19 safety protocols to be implemented by the retailer.

This was evident from the 11.7 point increase in social media conversations about branch physical safety, the second-largest increase during the lockdown. Furthermore, 39.1% of customers mentioned that the main reasons for shopping at their primary store was due to the COVID-19 safety measures and store sanitation.

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RECORD E-COMMERCE PERFORMANCE PROVIDES HOPE FOR THE SA ECONOMY

30 June 2020

E-commerce transactions are providing hope for the local economy, with transactions hitting an all-time high, in May and June 2020. Although there will be some plateauing, it is believed that the increased adoption of digital commerce is unlikely to diminish, which will further offer relief in an otherwise grim economic environment.

According to Peter Harvey, Managing Director of one of SA's largest payment providers, DPO, the last weekend in May saw a four-fold increase in transactions per minute, compared to the busiest minute experienced during Black Friday last year.

Harvey further indicated that June was similar to May, and that the company expects its monthly volumes for the rest of the year, to settle at approximately 40% higher than the previous year.

Harvey stated, that the increased adoption of e-commerce is a very positive sign for the SA economy, following the depressing financial metrics published over the last few weeks. This stellar performance of online businesses, as well as the signs that there is still room for growth, could offer the country an economic lifeline.

Furthermore, the exceptional e-commerce transactional numbers prove that SA consumers are still spending online, and whilst digital retail only accounts for a small percentage of the formal retail sector's monthly trade, it is one of the solid growth areas in the industry.

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SA MALLS NEGATIVELY IMPACTED BY COVID-19 PANDEMIC

10 June 2020

According to new data released by two of SA's biggest mall owners, shopping centres are still much quieter compared to last year, with the national lockdown and COVID-19 crisis continuing to dampen activity. This has been further exacerbated by retailer rental issues, with reduced rent being collected during this period.

Hyprop, which owns various shopping centres such as Rosebank Mall, Hyde Park Corner, and Somerset Mall, amongst others, reported a 24% drop in average foot traffic at malls in the first week of June, compared to the same time last year.

In addition, another large mall owner, Growthpoint, which owns the V&A Waterfront, Brooklyn Mall, Vaal Mall, Greenacres, and NICity Mall, indicated that foot traffic decreased by 90% in April at its shopping centres aimed at lower-income groups, which rely on public transport.

Interestingly, smaller neighbourhood centres have been busier than its larger counterparts, with convenience and community shopping centres proving more resilient, as more people shop locally during the lockdown.

Furthermore, mall owners are faced with rental issues, with some retail chains refusing to pay rent if they could not trade during the lockdown. Hyprop reported that it had only earned 44% of its monthly rent in April, recovering to only 55% in May. Similarly, Growthpoint reported that its flagship property, the V&A Waterfront, only collected 50% of rent in April and May.

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COMPANY NEWS





COMPANY NEWS

ONEDAYONLY'S GROWTH BOOSTED BY COVID-19

26 June 2020

OneDayOnly, the well-known online retailer, has benefitted from consumers' shift towards online retail channels during the COVID-19 pandemic and the government-imposed national lockdown. As such, the company experienced significant growth in sales during the past four months, increasing by a record 40%.

The global outbreak of COVID-19 has resulted in a significant increase and shift towards digital platforms globally and in SA. Even though online retail sales have been increasing in popularity over the past decade, the COVID-19 pandemic has acted as a catalyst for advancement in the e-commerce space.

The company's sudden rapid growth over this period has pressured the company to adjust and expand its operational capacity, which has in fact helped the company evolve, better equipping its business for future shopping peaks, such as Black Friday.

In addition, in order to meet the surge in demand, the company quickly expanded its staff complement and placed a greater focus on acquiring and growing local skills. Moreover, the company also revised its protocol for its supply chain in order to meet the future demand for these services, along with various safety measures being put in place to ensure the safety of its staff and customers.

OneDayOnly spokesperson, Matthew Leighton stated that the company is committed to staying ahead of South African consumer's demand trends by continuously researching the ever-changing consumer demands.

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CONCERNS REGARDING EDCON BUSINESS RESCUERS' REQUEST FOR FEE INCREASE

24 June 2020

In recent developments, regarding the establishment of a business rescue model for retailer Edcon, the issue and debate arose regarding the fees charged by liquidators and business rescue practitioners. In particular, Edcon's business rescue practitioners are demanding an increase of 157%, which has raised various questions.

Business rescue practitioners' charge average fees of R1 750 per hour, with a daily maximum of R25 000. However, Edcon business rescue practitioners are now demanding that their fees are increased by more than double the average. This has raised many questions and concerns about the effect it will have on staff payouts, as well as clothing suppliers, which form part of the concurrent creditor's group.

A South African Clothing and Textile Workers Union representative raised concern regarding this fee, and the fact that it has been raised at such a late stage in the process. As such, the representative further indicated that this significant fee request is unfair towards other parties, that will now receive less than initially anticipated. As such, the union will seek help from the Ministry of Trade and Industry.

Edcon is hoping that the sale of divisions would be finalised by the end of July and that the consolidating of unsold assets will commence in August. The group stated that staff were paid for June, and they are hopeful that there will be money to pay staff in July.

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PUMA EMBRACING SUSTAINABLE TEXTILE PRODUCTION AND DYEING

22 June 2020

Puma recently announced its new Design to Fade project, a biodesign project, in collaboration with Living Colour and Streamateria. This project was developed in line with the company's search for a sustainable alternative to both produce and dye textiles.

The Design to Fade project is the company's third biodesign project since 2016, with the company continuously seeking new ways of reducing their environmental impact, on both sportswear and fashion.

The project was developed in collaboration with Living Colour, a Dutch design project, as well as the Swedish design studio, Streamateria. Living Colour is known for dyeing textiles with bacteria, which is done by feeding bacteria a specific nutrient, that results in the production of a definitive pigment. These pigments can then be used to dye almost all kinds of fibre.

In terms of Streamateria, the company is known for its zero-tolerance to waste production chain, with the company producing fabrics in closed material loops. The materials are made of a printed mesh-structure, which is then coated with bioplastic to create a garment.

Although these projects have not yet reached a commercial stage, and no store launches are planned yet, these projects highlight Puma's commitment to be more sustainable in the future. Additionally, according to the company, in times like these, companies should not only rethink what they create but also how to create it.

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COMPANY FINANCIAL RESULTS





COMPANY FINANCIAL RESULTS

MR PRICE GROUP LIMITED

25 June 2020

According to Mr Price Group Limited's reviewed final results for the 52 weeks ended 28 March 2020, the group performed well, with total revenue from continuing operations increasing by 2.1%, to reach R23.0 billion in 2020.

Despite the increase in revenue, headline earnings per share (HEPS) decreased by 10.4% during the period, reaching 1 047.0 cents. Additionally, diluted HEPS decreased by 9.9%, reaching 1 s029.4 cents during the same period.

In terms of online sales, the group experienced a sales growth of 90.1% during the period, with Mr Price Apparel and Mr Price Sport sales growth surpassing 100% during this time. Even though it is not clear if online shopping is a permanent consumer behaviour shift, the group is confident in its positioning and ongoing investment in its omni-channel offerings.

Annual retail sales, which excludes the last two weeks of March 2020, grew 2.7%. The strong performance of the largest division, Mr Price Apparel, was attributed to turnaround initiatives gaining traction and a highly promotional trading environment, despite being challenged by regular power cuts (load shedding).

Furthermore, the group reported in its COVID-19 update, an 8.6% growth in sales for the first two weeks of March 2020. However, sales decreased 32.9% in the last two weeks, after the announcement of the national lockdown on 15 March 2020. This decrease was attributed to consumers prioritising essential items.

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THE FOSCHINI GROUP LIMITED

18 June 2020

According to The Foschini Group Limited's condensed consolidated financial statements for the year ended 31 March 2020, the group reported a resilient performance, with revenue increasing by 3.6%, to reach a total of R38.5 billion in 2020.

The group's strong performance showed the group's resilience, during a challenging and constrained global economic environment, with consumers continuously experiencing high levels of economic pressure. However, the group's operating profit before finance costs decreased by 4.1%, reaching R4.7 billion in the same period.

Despite this challenging backdrop, the group experienced growth in terms of retail turnover, which increased by 3.6%, reaching R35.3 billion in 2020. In terms of segmental performance, TFG Australia's- and TFG Africa's turnover increased by 9.6% and 3.3% respectively, whilst TFG London experienced a decrease of 4.5% in turnover during the same period, due to tough market conditions.

The group will continue with investment in e-commerce platforms and digital transformation initiatives, which promotes customer experience and reduces business costs. In addition, the group will also continue to increase their own local and quick response manufacturing capacity.

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MASSMART HOLDINGS LIMITED

17 June 2020

According to Massmart Holdings Limited's COVID-19 impact, sales update, and trading statement for the 23-week period ended 7 June 2020, the group reported a tough trading environment, with total sales decreasing by 10.3% to reach R34.8 billion.

The tough trading environment can be attributed to the COVID-19 pandemic, and the countrywide lockdown, which has resulted in total sales being R4.6 billion lower in 2020, compared to the same period in the previous year. In South Africa, sales decreased by 11.5%, reaching R31.3 billion in 2020, with comparable store sales decreasing by 11.5%. Comparable store sales also decreased by 12.1% during the same period.

However, since moving from level five to level four of lockdown in May, there has been an increase in demand for home improvement products at Builders. Additionally, Makro and Game experienced an increased demand for general merchandise goods, which has resulted in better sales performance as the month progressed.

As restrictions on the sale of liquor and tobacco products remain in place, the group will continue to feel the effect of this restriction, with the group reporting an estimated loss of R2.3 billion on liquor sales during April and May.

Nevertheless, the group is comfortable with its balance sheet, after it has secured a R4 billion inter-company loan from its parent company, Walmart. This comes after operating costs increased by approximately R50 million, due to the high safety protocols that were required, during the COVID-19 pandemic.

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MERGERS, ACQUISITIONS & PARTNERSHIPS





MERGERS, ACQUISITIONS & PARTNERSHIPS

ADIDAS AND PARLEY CELEBRATE ITS PARTNERSHIP WITH NEW LAUNCH

2 July 2020

Adidas and Parley are celebrating the fifth anniversary of their partnership, with the renewal of its commitment to eco-innovation and material revolution. In celebration of this milestone, the two companies have recently announced the launch of the new Adidas Parley UltraBoost DNA sneaker.

The two companies have renewed its commitment to fighting the global plastic crisis and its contribution to marine pollution. As an example, the Adidas Parley UltraBoost DNA's upper is made of yarns and filaments reclaimed and recycled from ocean waste, as well as illegal deep-sea fishing nets.

As part of the next phase on this partnership, the two companies will focus on developing, testing, and the implementation of new materials, which will replace the use of plastic permanently.

Moreover, Adidas has joined the Parley Institute for Material Science as a founding partner, and together the institute will identify, evaluate, and find material replacements for plastic and other harmful materials.

CEO and founder of Parley, Cyrill Gutsch, described its achievement with Adidas as a miracle, with the partnership delivering proof of its Parley AIR Strategy concept. Cyrill further stated that now is the time to drive the Material Revolution, with 10 years being left to end the toxic era everyone created.

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DIS-CHEM PARTNERS WITH WORKSGROUP FOR ENTERPRISE DEVELOPMENT

24 June 2020

Dis-Chem recently partnered with a corporate clothing group, Worksgroup, to support small enterprises and local manufacturing. This partnership will include Worksgroup supplying Dis-Chem with thousands of items, including the production of its staff uniforms, amongst others.

Worksgroup has various incubator groups at its Durban manufacturing facility, whereby small pods manufacture goods for Worksgroup customers. The company provides support to these individuals, by providing machinery and equipment, as well as continuous guidance and direction.

According to Dis-Chem Executive Director, Saul Saltzman, staff uniforms play a big role in staff morale. As such, it was important for the company to provide its staff with a uniform, that they would be proud to wear. Additionally, the uniforms should be of good quality and offered at the right price, which they believe Worksgroup will be able to provide.

Dis-Chem initially partnered with Worksgroup, to supply them with an initial run of winter jackets, which then expanded to the production of 45 000 masks and the company's summer uniforms.

Dis-Chem stated, that the decision to partner with Worksgroup was not only based on its quality and price, but its focus on enterprise development. In addition, Worksgroup's increasing focus on driving and supporting 'Made in SA' goods, is further aligned with Dis-Chem's priority of supporting local businesses.

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INNOVATION AND TECHNOLOGY TRENDS



INNOVATION AND TECHNOLOGY TRENDS



DIESEL REVEALS ITS NEW VIRTUAL FASHION BUYING PLATFORM AND SHOWROOM

26 June 2020

The Italian clothing brand, Diesel, recently launched its new 360-degree digital sales platform and exhibition space, dubbed the Hyperoom. This new virtual platform is aimed at creating an immersive and emotional engagement with its fashion buyers and vendors, who browse collections online.

The Hyperoom was designed and developed by Diesel parent company, OTB, with the support of Accenture. The platform was designed to guarantee efficiency, timeliness, accuracy of data, and a forward-thinking sense of simplicity.

Each OTB brand will exist within the Hyperoom, but each brand will retain its own style, values, and personality, through a designated customised section on the platform. Additionally, the virtual space has been crafted in line with the brand's showroom in Milan, in order to keep as much of the buying's physical element as possible.

Furthermore, the custom order-taking platform enables remote buying sessions, as well as a live chat, which will enhance the journey beyond the typical showroom appointment.

OTB believes that this project will set a new standard for the digitalisation of the fashion industry. In addition, this project is expected to significantly reduce costs for the company, through the reduction in required clothing samples for showrooms, as well as reducing the need for buyers to travel to view its collections.

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FASHION INDUSTRY UNDERGOES AI REVOLUTION

16 June 2020

Artificial intelligence (AI) has become ever-present in all facets of the global fashion industry. This incorporation offers a range of benefits, that will assist the industry with thriving in a consumer-driven era, by enhancing customer services and optimising inventory management.

AI is set to revolutionise the overall fashion industry by providing fashion brands with enhanced intelligence. The power of AI enables fashion companies to gain insights into the latest fashion trends and purchase patterns, as well as, guide inventory management.

In terms of inventory management, AI can be used to improve productivity within stores and digital platforms. For example, retailer H&M has enlisted AI-inspired solutions to organise and allocate unsold stock to stores with high demand, reducing the need for discounted sales.

Furthermore, AI is expected to supercharge the fashion industry, by further assisting retailers with the rising demand for hyper-personalisation and improving the customer experience.

For example, the United Kingdom fashion company, Asos, launched an AI-powered tool that assists shoppers with finding the perfect fit. The new AI-sizing tool, Fit Assistance, provides sizing recommendations to shoppers following a series of questions, such as age, weight, and height, amongst others.

The deployment of AI solutions will not only enhance customer services, it will also assist retailers in mitigating costs, through the optimisation of inventory management.

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V&A WATERFRONT LAUNCHES DRIVE-THROUGH PICK-UP SERVICE

15 June 2020

The V&A Waterfront has recently launched its new drive-through pick-up station, for consumers seeking to avoid crowded spaces, as a result of the ongoing global COVID-19 pandemic. This service will allow shoppers to order their goods online, and then collect their purchases at the drive-through collection point, once they are ready.

The V&A drive-through pick-up service, which is offered in partnership with the delivery company, Pargo, will offer consumers with an option to skip queues and maintain social distancing measures, whilst still being in full control of their own shopping experience online.

This easy-to-use service will allow shoppers the opportunity to enjoy shopping at participating stores, with the added benefit of an efficient and speedy delivery drive-through collection service.

In addition, Pargo's smart logistics technology will assist shoppers in tracking their order, with the technology tracking and notifying consumers when the package is at the pick-up point.

A number of leading SA retailers are participating in this project, with products from retailers such as @Home, Cape Union Mart, Hi Store, Markham, Old Khaki, SportsScene, and Total Sports, all being available through this service.

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YEBO FRESH GETS R2 MILLION SUPPORT TO HELP THOSE IN NEED

30 June 2020

Yebo Fresh, a Cape Town-based online grocery retailer, has expanded its operations with the help and support from the Scheinberg Relief Fund. The Scheinberg relief Fund contributed R2 million to the SA start-up, to assist with the expansion of its distribution capacity, and food relief efforts, in disadvantaged communities.

This generous R2 million contribution, has enabled Yebo Fresh to expand its operations with a larger warehouse facility, resulting in the company being able to reach more townships.

Moreover, the contribution further enabled the company to implement structural improvements. This has enabled the company to increase its food parcel production from 400 to 1 000 per day (equivalent to 120 000 meals per day) with the intention to further increase this to 2 000 parcels per day. The increased capacity has also opened up 20 packing staff positions, which will be reserved for individuals who did not have an income before the pandemic.

The agreement also states that once Yebo Fresh reaches the agreed financial performance indicators, the donation will then be paid forward to local communities through the additional distribution of food parcels.

During the nationwide lockdown, Yebo Fresh also partnered with various charities, community action networks, as well as other organisations.

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PEP LAUNCHES LAY-BY BUDDY INITIATIVE

25 June 2020

Pep, in partnership with the non-profit organisation, #ImStaying, has launched the Lay-by Buddy initiative, which is designed to bring financial relief to unsuspecting customers by contributing to their lay-bys.

The Lay-by-Buddy initiative idea stems from a generous R337 000 donation made from an unknown man, in December 2019, which settled 363 lay-by accounts at a Pep branch in Mossel Bay. Furthermore, this donation inspired similar donations, with many of these donations featuring on the #ImStaying Facebook group.

In response to the wave of donations, Pep donated R50 000 to the #ImStaying community initiative and decided to encourage these donations, through the creation of the Lay-by Buddy initiative.

This initiative was formed in order to formalise the donation system, allowing individuals interested in contributing, to buy a voucher at their local Pep store or on the retailer's website. Donations to the initiative start at R10, with Pep kickstarting this initiative, by donating R1 million, which will be allocated to random Pep customers.

According to Jaap Hamman, Pep CEO, a large percentage of current lay-bys are for winter wear, children, and baby clothing, which are essential items for families. As such, this initiative will provide support and assistance to customers due to the loss of income, as a result of the COVID-19 pandemic.

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WOOLWORTHS SHOWS SUPPORT TO PUBLIC HEALTHCARE SECTOR

10 June 2020

Woolworths recently made a donation worth R700 000 to assist public healthcare facilities in SA. The donation is an attempt to assist the Department of Health with its preparation for a surge in COVID-19 patients, which will result in a shortage of bed linen at these facilities.

The donation comes after President Cyril Ramaphosa announced that SA will move to level three of the national lockdown, with an expected surge in COVID-19 cases, as lockdown restrictions are eased.

In anticipation of this shortage, Woolworths has donated more than fourteen hundred sheets, towels, and blankets. They have also donated approximately two thousand pairs of Woolworths shoes, which will be used by healthcare workers, who work long hours at public health care facilities, hospitals, and clinics.

In the weeks to come, disaster relief NGO, Gift of the Givers Foundation, will be the sole distributor of the products to public healthcare facilities throughout the country.

In addition, Woolworths alongside its MySchool My Village My Planet fundraising programme also recently donated R500 000 to Gift of the Givers, which will go towards PPE for healthcare workers.

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NEW ADVANCED LEVEL THREE LOCKDOWN REGULATIONS

29 June 2020

The Cooperative Governance and Traditional Affairs (COGTA), recently published a new directive which enables more businesses, such as sit-down restaurants, casinos, conferences, and hotels to reopen at the advanced level three lockdown. In addition, the Department of Small Business Development (SBD) has announced the reopening of personal care services, such as hairdressers and beauty salons.

Tourism Minister, Mmamoloko Kubayi-Ngubane, outlined various rules for the reopening of sit-down restaurants. This includes screening questionnaires for guests, using a reservation system, the wearing of cloth masks for all guests and employees, as well as various health and safety measures, including sanitising and social distancing measures, amongst other rules.

In addition, casinos, hotels, and conferences, must follow various rules stipulated for each business category. This includes tracking and tracing of guests, a limited number of people in the establishments, as well as safety measures such as screening, social distancing, and sanitising, amongst other rules.

Furthermore, SBD Minister, Khumbudzo Ntshavheni, outlined the reopening of hairdressers, barbers, nail bars, beauty parlours, tattooists, and body piercers. This includes no staff above the age of 60 permitted to work, no staff or customers with flu symptoms allowed to enter the salon, as well as being required to maintain a register of customers and the use of a booking system for treatment appointments, amongst others.

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