

Pick n Pay's premium strategy falls into place

The launch of The Falls in Johannesburg marks the beginning of how Pick n Pay plans to tackle fresh in the future

Pick n Pay's new flagship store, The Falls, in Johannesburg has a clear focus on fresh, while at the same time, maintains the same prices as any other Pick n Pay store.

BY LAURA DURHAM

Pick n Pay's new flagship store, The Falls, promises to bring the most environmentally friendly and exclusive shopping experience to West Rand residents in Johannesburg. In addition, the store boasts an array of fresh features – both in terms of product and display – to rival any other supermarket.

Fresh start

As Peter Arnold, director of foods, proudly announced at the November opening, The Falls is "quite spectacular" from a fresh perspective. As one of Pick n Pay's premium stores, The Falls has a strong focus on fresh, which is evident from the moment that customers walk in amongst a bright display of fresh flowers.

Stuart Duffield, GM of premium stores across the country for Pick n Pay, notes that the word 'premium' can be a bit misleading because in fact, stores like The Falls and On Nicol have the exact same

Store: Pick n Pay The Falls

Location: Roodepoort, Gauteng

Trading area: 4 800m²

Back end: 500m²

Staff complement: 230

pricing as any other store. The difference is that the stores boast a total offering with a wider fresh food appeal. They also have much larger restaurants – Thyme – attached to them than the coffee shop offering at other stores.

It seems that no detail has been missed by the store development team. Customers even have the option of two completely different shopping experiences based on the store entrance they choose.

All about the journey

The entrance next to the restaurant leads straight into the fresh departments, starting with the bakery. Customers can choose from an extensive range of artisanal breads, confectionery, paninis and bread rolls. The other entrance is more centrally

located and guides shoppers straight to the grocery aisles, flanked by the fresh produce on the left. For customers doing a pantry shop, this is the best way to enter the store.

After a fresh greeting by the flowers at the first entrance, shoppers are treated to the deli on the right-hand side, which offers countless hot dishes, ready-prepared sandwiches and baguettes, as well as a salad bar. Customers are also treated to a selection of local and imported cold meats, some of which have been strung up just like a European deli.

The service departments have been strategically situated at the front of the store to entice and excite customers, before being led through the fresh produce section to the dry grocery aisles. "The point is for shoppers to go through fresh, to experience the colour and smells, and be inspired by everything fresh," says Duffield.

In the far corner, sits the Fish Shop and butchery. The butchery is manned by trained blockmen who will cut to order if customers cannot find what they are looking for in the wide range of prepacked and counter cuts. Customers can also enjoy a selection of biltong and dry wors at the Biltong Bar. ►

STOREWATCH ►

In line with customers' demands for convenient meal solutions, the Fish Shop's most popular items are the prepared cuts. The department currently stocks green and orange SASSI-listed seafood, which will be reduced to only the green variety within the next year. In addition, The Falls is one of the first Pick n Pay stores to stock the new Pick n Pay branded MSC-certified frozen hake.

The fresh produce department illustrates Pick n Pay's new approach to fruit & veg, which incorporates both the market-style loose presentation and the prepacks of before. "We still wanted to accommodate both types of customers," he explains. Even the materials used for the display are different, with recycled plastic being used instead of the old wooden bins, which would discolour due to seepage. There is also a selection of organic and exotic vegetables to appeal to environmentally conscious customers and adventurous cooks as well.

A real dining experience

Instead of having to wait until the end of the shopping trip for refreshment, customers have the opportunity to buy something hot or cold before the shopping has even begun. There is a coffee bar plus a selection of smoothies and sorbets to choose from and be paid for at the till conveniently located right by the entrance to Thyme.

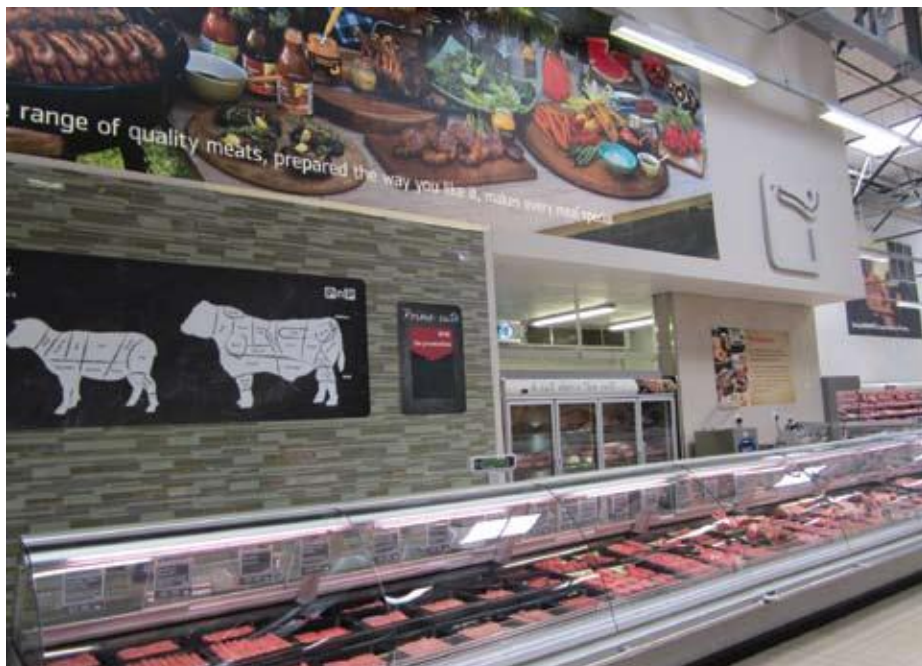
Thyme restaurant caters for a wide variety of tastes, with the gourmet hot dogs and hamburgers doing particularly well. The sushi bar is very popular during the afternoon trade, with Chinese and local sushi chefs preparing each dish fresh as customers sit at the counter.

The design team also installed an acoustic wall into the restaurant, creating a far more pleasant and quieter dining experience for customers. Duffield says that while the restaurant might be a little quiet during the week, the queues extend out the doors over the weekend.

The restaurant and deli is managed by fully trained chefs, as well as Warwick Thomas, who participated in the recent Ultimate Braaimaster reality cooking show, which was sponsored by Pick n Pay. Staff has been sourced locally, trained by a third party and then given experience at Thyme On Nicol. Thyme on Nicol recently won the prestigious Rasa Rosetta Award in



Customers can choose from an extensive range of artisanal breads, confectionery, paninis and confectionery at the bakery, which is located at the entrance of the store.



The butchery is manned by trained blockmen who will cut to order if customers cannot find what they are looking for in the wide range of prepacked and counter cuts.

recognition of service excellence and contribution to the restaurant industry as a whole.

The bakery and butchery are also manned by seasoned bakers and blockmen, who are always available to cater to customers' special requests. All the prep areas for the service departments are kept separate.

Groceries – far from dry and boring

The dry grocery aisles, traditionally the 'boring' part of any store, have been given new life with interesting and exclusive products. Customers can now even buy an iPad or Kobo e-reader (exclusive to Pick n Pay) while doing their grocery shop.

The store boasts a full-service pharmacy with a clinic sister available to perform a range of tests. A diverse range of make-up and fragrances is available in the impressive beauty department, where trained specialists are on hand to offer advice and guidance.

Customers can also choose from a wide range of liquor – from the wine cellar and champagne room inside the store to the Pick n Pay Liquor store outside.

The idea of a shopping journey continues right up to the till as Pick n Pay has implemented the fair queuing system in the store. Customers are therefore led past a variety of treats, novelty items, cold beverages and magazines. "It has proved to



MATADOR brings a world class refrigeration solution to Pick n Pay The Falls

Pick n Pay and Matador always work together towards a common goal of finding optimal refrigeration systems that provide reliable, cost effective, and energy efficient installations for the Pick n Pay group. The design for The Falls, their flagship store, was a challenge focussing on energy efficiency and utilising the latest state-of-the-art technology and engineering available.

The refrigeration installation at The Falls store is a R134/CO₂ Sub-Critical Cascade-type System.

Matador have consistently shown that correctly designed systems using the latest technology with quality equipment and installation will out-perform cheaper installations, both in maintenance and energy usage.

INSTALLATION

Medium temperature system

The medium temperature system operates on R134a refrigerant with a suction temperature of -10°C and condensing at the design condition of 43°C. The system has two multiplex racks fitted with six Bock-type HGX6/1410 eco compressors. The refrigeration requirement for the R134a system is 648.77kW split over the two multiplex racks, one of the biggest systems installed by the Group. The unique design allows for cooler liquid refrigerant being supplied to the evaporators, maximizing their efficiency and contributing to the already energy-efficient plant.

Low temperature system

The CO₂ low temperature system operates at a design condition of -32°C suction temperature, condensing at -5°C. The condensing of the low temperature system is done via a plate heat exchanger on one of the medium temperature systems. This is known as a cascade system. The low temperature system has one rack with three Bock-type HGX22P/125-4 compressors, operating in a sub-critical condition. The system capacity requirement is 70.9kW.



Energy efficiency

The plant operating conditions recorded to date:

	Minimum	Average	Maximum
kVA	80	150	235
Amps	120	240	360

The connected load for the entire refrigeration plant is 800A per phase.

As one can see from these figures, that were monitored during both average summer conditions and high ambient temperatures of up to 34°C, that the running conditions of the system are very favourable for energy savings.



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STOREWATCH ►

work so well and 99% of customers love it," says Duffield. At The Falls, they've even split the queue so on quieter days they can just run one side. There is also an express queue – conveniently located just around the corner from the deli – which is perfect for customers who've perhaps just popped in to grab some lunch.

Quantifying the customers

At the opening in early November, the team was unsure who the store's customers would be as The Falls is in a very diverse area in the West Rand of Johannesburg. Duffield says it has emerged that the customer base is as wide as they first thought – ranging from a strong LSM 4-6 segment to a large number of shoppers in LSM 9-10. The store is open from Monday to Friday between 8am-8pm, on Saturday from 8am-6pm and Sunday, 8am-4pm. It seems to be a weekend store judging by the first month of trading, which is "not exactly where we want to be" says Duffield. It is, of course, too soon to say what the typical trading pattern will be, with a late in the month opening and December to skew results.

Full of features

Throughout the store, it is evident Pick n Pay has taken care to find ways to inspire shoppers. From clever displays (recipe books, serving platters and olive oils) to two recipe centres that customers can even print from, foodie fun is encouraged.

A feature only found in premium stores such as The Falls is the Cheese Room, which boasts over 300 different cheeses, including locally made Hijke cheese.

Pick n Pay has also introduced the Coffee & Tea Pod, full of exotic and artisan varieties, as well as a Baking Pod that, complete with ready-made fondant, is every baker's grocery shopping dream. There is also a demo counter near the checkout, where trained chefs whip up interesting dishes using recipes that are also available in the recipe database so customers can try them out at home. Some recipes are even available on high-gloss recipe cards so customers can take them home to add to their own recipe file.

Developing local suppliers

Pick n Pay prides itself on its development of local small suppliers, some of whom now



The refrigeration cabinets are extremely energy and cost efficient – even compared to Pick n Pay's other flagship, On Nicol.



Pick n Pay has created a store that will inspire all customers with its fresh appeal.



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exclusively supply its stores. These include a number of fresh produce suppliers whose entire crop is bought by the company.

In terms of product range, The Falls has a similar offering to On Nicol, apart from some products that have been updated or launched recently. This procurement policy has been communicated to customers throughout the store via large bulkheads. "We are slowly nurturing and building small suppliers and building local economy," comments Arnold.

Stock in-store

The total SKU count for the grocery department is 17 500, with an additional 4 500 lines in the fresh departments to complete the store's offering. Customers

often believe there is more stock on shelf, but in fact, there is less – with many categories only having the leading brand, Pick n Pay's own brand and one other. Around 15% of the offering is private label: No Name (budget), PnP (value) and Finest (Premium).

Currently around 50% of dry groceries comes from the Longmeadow distribution centre (DC), with the rest being delivered directly by suppliers. The total back-end of the store is relatively small at 500m², with the idea that there will be a better supply out of the DC as Longmeadow increases its range.

The store has implemented a night shift for shelf-packing so that during the day, staff members simply have to top up.

Obviously for the fast moving lines (around 200), these are merchandised all day and every day. During weekends, the night shift is brought forward to late afternoon.

Around 70% of the staff complement is new, while the rest come from other Pick n Pay stores. Duffield says that most of the senior management is internal.

Green design – inside and out

Like the Nicol store, Pick n Pay took an eco-friendly approach to the design of The Falls store. Skylights were installed to bring daylight into the store, thus reducing electrical demand during trading hours. Heat pumps are used for heating water and solar control glass has been applied to the west-facing façades to reduce heat loads, making the air conditioning more effective and reducing power consumption.

Outside the store, LED lighting is used for illumination, while inside the entire store is fitted with dimmable fluorescent fittings for optimum energy usage, which adjust automatically, depending on the ambient lighting conditions.

In addition, rainwater run-off from the roof, as well as water from other areas is filtered and stored in steel tanks and used for irrigation, while boiswales, which are designed to remove silt and pollution from surface run-off water, assist with retaining rainwater before it is absorbed into the ground. Only indigenous and water wise vegetation has been used and watered through drip irrigation.

Duffield says the refrigeration technology that has been put in the store is not only cost and energy efficient, it is locally produced. According to Grant Ford, engineering director at Matador Refrigeration, the unique design of the cascade system allows for cooler liquid refrigerant being supplied to the evaporators, maximising their efficiency and contributing to the already energy-efficient plant. As opposed to the refrigeration system installed at Pick n Pay On Nicol, this system only provides for the refrigeration requirement and does not use ammonia as a refrigerant.

To keep customers informed on how energy efficient their supermarket really is, a TV screen at the checkout displays the different readings throughout the day. "Everything is automated and constantly monitored," adds Duffield. Customers are also encouraged to do their bit by using the recycling bins in the parking area. ►

STOREWATCH ►

"This is Pick n Pay's second, biggest green store in the country," comments director of foods, Peter Arnold.

Promotions in-store and out

For the opening on 7 November, Pick n Pay printed a 44-page supplement in local newspapers. In addition, there was an announcement advert the week before in print and on radio, robot drops, three trailers driving around and many opening specials to attract customers.

Pick n Pay's Smart Shopper loyalty programme was also used as a platform to inform and promote the new offering in the West Rand. GM of premium stores, Stuart Duffield, says the uptake of Smart Shopper with new customers at The Falls was "exceptionally good". "Smart Shopper is a real winner for us."



Throughout the store, customers are made aware of how eco-friendly and energy efficient the store is. For example, a TV screen displays the different energy readings of the store at the checkout.



The Fish Shop stocks green and orange SASSI-listed seafood. This will be reduced to only the green variety within the next year.

The store is also working with the local community and helping various churches, schools and other organisations with donations and sponsorships.

In its premium stores, Pick n Pay has taken the decision to completely declutter it of supplier point-of-sale material. All products that are on promotion stand out on shelf thanks to a Pick n Pay-red frame, as well as flashing electronic shelf labels. Duffield adds that in general, using electronic shelf labelling makes for a much more efficient store operation.

"The idea behind the declutter is that when you are in a premium store with

fresh, you're not paying 1c more for the grocery items than any other store. Once the customer understands that, it's just a beautiful experience without all the clutter."

For Christmas, the store had decorations made from recycled paper throughout the store, including a giant paper Christmas tree at the entrance and wreaths along the windows.

Added value

The store boasts many added extras, including third party payments, prepaid electricity and Lotto. There is also a travel

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A new addition to Pick n Pay's premium stores is the Coffee & Tea Pod, full of exotic and artisan varieties, as well as a Baking Pod, complete with ready-made fondant.

kiosk, Berco box for parcel delivery, money transfer availability and soon, mobile banking, which is a collaboration between Pick n Pay and MTN.

Pick n Pay The Falls has been developed on the site of a former driving range on

Hendrik Potgieter Road in Little Falls, Roodepoort. The surrounding road network has been upgraded to make accessing the strip mall as easy and convenient as possible. Arnold admits that the company has taken a risk by having its own strip mall,

complete with Pick n Pay supermarket, clothing and liquor stores. Various other tenants have also opened small stores in the mall.

In terms of security, there is a controlled entrance and exit into the parking lot, although parking itself is free. The entire parking lot and store is monitored centrally by a sophisticated CCTV system. Within the store, there are guards – both uniformed and undercover.

Two manager stations – one in the centre of the store and one in line with the check-outs – ensure that a supervisor always takes note of what's happening on the floor.

The fresh difference

"We do believe we've put down a fresh offering that compares with everybody – and is better. The Falls has a wonderful premium look and feel but the pricing is the same as every other Pick n Pay store," comments Duffield.

Store management is happy with sales for the first month and was pleased with a busy Christmas period. Deputy CEO, Richard van Rensburg says the company plans on opening 15 more of these premium stores in the next 18 months.



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Kitchen at Thyme @ Pick n Pay Little Falls



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