

Customers

MEETING CUSTOMER NEEDS AND ENSURING GREAT SERVICE

Satisfied and loyal customers are an indicator of the sustainability of a business. The Group aims to adapt to customers' changing needs and to provide them with a level of service that exceeds their expectations.

Policy and approach

The Group's customer service policy governs its interactions with customers and was developed in alignment with international standards and codes. The Group's policy is to provide customer service training for all staff who interface with customers.

The Group audits customer complaints and reports are produced for all operational divisions. Each division manages its own customer issues individually. All customer complaints are attended to as a priority and the Group communicates personally with customers to resolve their issues. In addition to its centralised Customer Service Centre for supermarkets and Customer Care Line for furniture, the Group also places customer service stations in stores, manned by a service assistant.

Management actions and performance during the period under review

The Group began rolling out customer service representatives for stores. Currently 121 of the 485 Shoprite and Checkers supermarkets in South Africa have an active representative and the Group aims to complete this project during the next review period.

Plans and targets for the next review period

The Group is currently performing an analysis of the Customer Service Centre, to ensure that its processes are up to date in terms of current best practice. While the Group's current customer service policy, which is based on treating customers fairly, is already in line with the International Code of Consumer Rights, the Group is in the process of reviewing the policy to bring it in line with the new Consumer Protection Act, where required.

PROMOTING HEALTHY LIVING

A growing number of South African consumers are progressing towards a focus on healthy lifestyles. Increased awareness of food safety and nutrition, as well as a responsibility to protect customer health and the environment means that the Group needs to diversify its product range to include healthy and sustainably-produced goods.



Governance and Sustainability continued

SUSTAINABILITY REPORT

Policy, management actions and performance during the period under review

While the Group does not have a formal policy on this issue, the Checkers brand stays abreast of changing consumer trends in this regard and endeavours to meet these with the best possible solutions.

A comprehensive range of products that supports healthy lifestyles is available in selected supermarkets. Products that the Group offers include certified natural lamb, free-range poultry and eggs, a selection of organic produce, and low glycaemic index (GI) products.

Articles are published on the Checkers consumer website and the Group produces a range of consumer leaflets with health-related information, available to customers in-store and on the Shoprite website. The Group is constantly searching for new, healthy and sustainable products to include in its product range to promote healthy living.

MANAGING FRAUD AND SHRINKAGE

The percentage of product loss between purchase and point of sale is referred to as shrinkage. Shrinkage is commonly thought of as being due to theft, but theft can involve fraudulent activities in many forms such as internal and external collusion between employees, customers and suppliers. Fraud and shrinkage affect profitability and the retail industry typically incurs substantial losses through this means.

Policy and approach

The Group protects its assets and stock based on a cost-benefit efficiency ratio, which is analysed on an ongoing basis. The Group has implemented both technical and management systems to monitor and control the level of shrinkage. Management systems include regional administration managers, loss control managers, auditors and security officers. Technical systems include reference and criminal checks, closed-circuit television surveillance, electronic article surveillance tags and vehicle tracking devices. All losses are reported to and are reviewed by the financial director.

Management actions and performance during the period under review

The Group made 60 440 shoplifting-related arrests during the period under review. Petty fraud and theft by cashiers resulted in 573 arrests. This included cases of intentional under-ringing and credit card fraud.

Plans and targets for the next review period

By implementing strict security measures and controls, the Group aims to maintain and further lower its rate of shrinkage, which is currently well below the international industry norm of 2.5%. The Group is satisfied that the current systems employed are effective and delivering a good return. The Group is, however, constantly exploring further measures to minimise the risks to the business.