

Value-added Services Meat Market



DIRK DIEMONT
GENERAL MANAGER:
MEAT MARKET

The division reported a strong trading result during the period despite the economic downturn, growing market share in line with the rest of the Group. The main Meat Market brands – Steakhouse Classic, Certified Natural Lamb and Championship Boerewors – all performed well and can be attributed to the confidence and trust that customers have developed in these brands. Value-added and branded meat products constituted 43% of total Meat Market sales in South Africa and allowed the Group to merchandise a unique quality meat range while at the same time maintaining its gross profit margin percentage. The portion sizes of the meat packs were also reduced on the main lines, especially in the Shoprite butcheries, in order to reduce the pick-up price. The improved value offered on selected bulk lines also stimulated sales. In addition, the sale of loose meat cuts out of

gourmet-style cabinets – in about one third of Shoprite stores – has been successful in catering to the needs of financially strapped consumers in the lower income groups and has assisted in reducing packaging costs.

During the year environmentally aware and health conscious customers were catered for with Certified Natural Lamb, which is fully traceable back to the farm of origin and includes an ecological audit to ensure the maintenance of pasture health. This product made significant gains and now accounts for almost 50% of all lamb sold in Checkers and Checkers Hyper stores. Similarly, more than half of all the steak sold in Checkers is Steakhouse Classic. These branded meat products complement the higher-end image of the repositioned Checkers brand and also helped the division to gain additional market share. The Group is confident that as the

economy recovers, new customers gained over the period under review will be retained.

During the year the division continued its strong drive on training of butchery staff to enable them to achieve SETA as well as non-SETA qualifications. This focus on the training and development of our staff is allowing us to more effectively promote from within and increase the length of service in crucial positions. In addition, by offering a full qualification (National Certificate in Meat Processing) the Meat Market division is addressing the development of scarce skills within the industry and contributing to the retention of meat managers within the Group. This will remain a focus area and will help to ensure that the division will continue to build on its strong foundation into the future.