

Kantar BrandZ lesson 2 of 7: Checkers on reducing friction from the shopping experience through innovation

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Time and again, the global Kantar BrandZ data has proven those brands that continue to invest in building a strong brand are the ones that grow faster. With digital no longer just a nice-to-have but a must-have for brand growth, technology is the biggest game-changer at play today. It's what's kept certain brand names in consumers' minds and their products in consumers' hands, driving the innovation that saw Checkers emerge as one of South Africa's stand-out brands in the Kantar BrandZ Most Valuable South African Brands ranking.



Coming in at #27 with a brand value of \$334m, Checkers has developed a Mzansi e-commerce strategy that speaks strongly to the importance of innovation.



MARKETING & MEDIA

Digital-first brands dominate the 2021 Kantar BrandZ's Most Valuable South African Brands Kantar 1 Sep 2021



Reaping the rewards of revolutionising customers' concept of convenience

Neil Schreuder, chief of strategy and innovation, The Shoprite Group of Companies, commented at the 2021 Kantar Brandz Most Valuable South African Brands launch that the Xtra Savings Rewards programme has seen over 20m members in Shoprite and in Checkers: "That's a million a month, all signed up on digital channels like WhatsApp, USSD, the app and the website so there was no physical paperwork, and no trees were harmed in the making of the rewards programme."



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Checkers Xtra Savings becomes SA's fastest-growing rewards programme

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Schreuder added that after 40 years of business, this helps the brand to know its customers intimately for the first time. "We know their age, how often they shop, and what time they read their emails. This allows us to be more customer centric as a company. We were already famous for our low prices, now we're also famous for giving customers low prices and value, in a personalised way."



Neil Schreuder, chief of strategy and innovation, The Shoprite Group of Companies

Checkers has also invested in the fresh food experience, particularly in new stores where everything's been built with the customer in mind, from the silent floors, so you don't hear a trolley clicking, to partnerships with fresh food pioneers like Kauai, My Sugar artisanal chocolates, and organic honey producers.

Schreuder confirmed: "Our private label developers like Forage & Feast with Michelin-starred chef Jan-Hendrik van der Westhuizen have pushed the envelope on indulgent foods, in that they don't have to cost the earth. We believe innovation around the customer experience is what creates long-term winners in the market, particularly in retail."

Commenting on the popularity of the Checkers Sixty60 mobile app, Schreuder said it had to be simple and easy to use, as it lets customers shop in as little as 60 seconds, but the truly pioneering angle is getting your order delivered in as little as 60 minutes.



Checkers pilots 60-minute grocery delivery service 25 Nov 2019

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First piloted in 2019, there's no denying that the stay-at-home mandate under the initial Level 5 lockdown in South Africa propelled Checkers Sixty60 into the future.

It's currently the number one grocery delivery app in the country. The true magic lies in the experience, with 90% of orders delivered within that 60-minute promise. This proves that innovation doesn't have to come at the expense of jobs, with Checkers Sixty60 having created 2,870 new jobs since inception.

This speaks strongly to how the Checkers brand is solving the value equation today, based on its ability to provide South Africans with excellent value in a challenging economic climate.



Checkers Sixty60 creates 800 new jobs during lockdown
16 Sep 2020



The meaningful difference: Looking beyond price to solve the value equation in 2022

Pandemic-tightened wallets are certainly in play, with Kantar BrandZ data showing that 88% of South Africans say they pay more attention to prices, while 79% pay attention to products on sale, with both figures having steadily increased over the past year. But value is about more than a price point, as cheaper, unknown imports are not necessarily winning over pricier trusted brands.

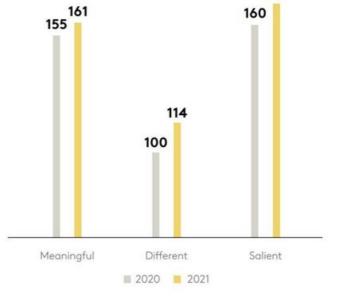
Solving the value equation today therefore requires a more nuanced approach than simply winning the race to the bottom on price. Part of this lies in understanding that money is not the currency in South African consumers' pockets. Given the

pace of daily life and often lengthy commutes using public transport, South Africans in measing ly also evalue trust and

convenience. Growing brands are therefore constantly innovating to make their products more accessible and available to consumers.

Checkers serves as a prime example in this regard, with the highly successful Sixty60 app promising to deliver ordered goods into consumers' hands in under an hour. In practical terms, this service is so popular that when this goal is missed, customers can opt for WhatsApp notifications to know when their groceries should arrive.

Checkers has clearly grown in meaning, difference and salience, with Kantar BrandZ proving the brand has especially been seen as hugely meaningful in the tough economic climate where South African consumers are seeking value above all else. Their three-pronged approach includes the Xtra Savings reward initiative that reimagines the value equation; the FreshX concept stores that



meet new consumer needs; and the Sixty60 grocery delivery offering that leads the way in developing a Mzansi ecommerce strategy that speaks to the importance of innovation.

Innovation is therefore an area where all South African brands can step up to find an opportunity for future brand growth.



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Dr Nicki Morley, Kantar 19 Aug 2021

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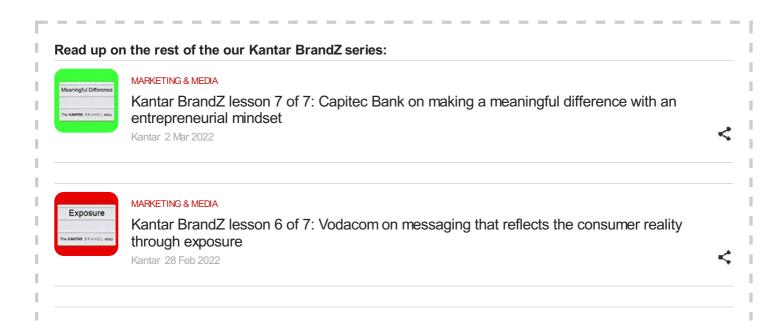
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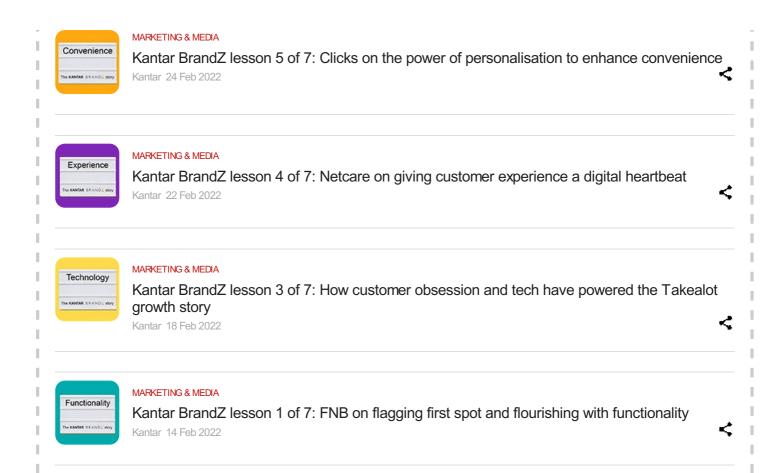
What is your brand's growth formula for 2022?



<u>Learn more</u> from South Africa's most valuable brands, with a focus on <u>how to build strong brands and engineer for growth</u> in 2022 and beyond. Also <u>reflect</u> on SA's most valuable brands from 2018 to date and what the top brands have been up to in the last year.

Bonus lesson: Download our comprehensive guide to brand equity and growth.





About the Kantar BrandZ Most Valuable South African Brands Ranking

Kantar BrandZ is the global currency when assessing brand value, quantifying the contribution of brands to business' financial performance. Kantar's annual global and local brand valuation rankings combine rigorously analysed financial data, with extensive brand equity research. Since 1998, BrandZ has shared brand-building insights with business leaders based on interviews with 4 million consumers, for 18,000 brands in 51 markets, including opinions from 31,335 South African consumers on 660 brands in 47 categories.

The ability of any brand to power business growth relies on how it is perceived by customers. Grounded in consumer opinion, Kantar BrandZ analysis enables businesses to identify their brand's strength in the market and provides clear strategic guidance on how to boost value for the long-term. The eligibility criteria are:

- The brand must originally have been created in South Africa and be owned by an enterprise listed on JSE or a credible stock exchange.
- For private brands originated in South Africa, their complete financial statements must be available in the public domain.
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