

## Turning Game's fortunes around: Q&A with Andrew Stein



29 Jul 2022

After a few years of slumping sales, Massmart-owned retailer Game has faith that the results of its comprehensive turnaround plan will heighten the brand's appeal among shoppers and deliver a healthier balanced sheet for the group.



Game vice president Andrew Stein. Source: Supplied

A core element of the plan has been the transformation of Game stores to provide a more intuitive experience with improved accessibility and navigation. This journey concluded recently when Game announced earlier this month that it had successfully completed the revamp of all its 115 across the country.

Other notable aspects of Game's turnaround efforts are a revitalised online presence, and a shake-up of the merchandise mix, particularly in the apparel, homeware and baby categories. The retailer has also added value-adding auxiliary services like tech assistance and installation services for electronics and appliances, in a bid to deliver a more holistic customer experience.

Change can be good bazalwane. ����With newstores and a whole newwebsite, see for yourself that you can get everything at the #AllNewGame pic.twitter.com/H581nfvddZ— Game Stores SA (@Game\_Stores) July 30, 2022

Game's vice president Andrew Stein talks us through how the retailer's turnaround strategy is playing out, and how it's setting Game up for future success.

**III** Congratulations on completing the revamp of all Game stores. What do you believe to be the most marked differences between the older and newer formats?

We worked for more than two years in researching and testing what the ultimate Game store looks like and feels like for our customers. The majority of our customers shop in store, and so creating the best in-store experience is a top priority for us. We believe we have created a space that has a more intuitive and appealing layout, which makes it easier for

customers to find what they are looking for.

Key to a better in-store experience is a refreshed assortment, with on trend merchandise that appeals to customer expectations that have touched all categories in some way. So we looked at each and every product in our store, and expanded on certain ranges while bringing in new products.

We <u>replaced 75%</u> of our homewares range with new products that now include new, trendy items like wingback chairs, TV units, new lighting and décor. Our <u>apparel offering</u> launched in August 2020 as a replacement for the under-performing fresh & frozen food category.

The baby category is another good example, especially in the nappies/diapers product range where we are competing hard with other retailers, and we have a value proposition for customers where we will never be beaten on our nappy prices. We have also launched another 300 items in the department to provide a more compelling assortment.



Source: Supplied

We have launched installation services in 59 stores, a Tech Squad in 70 stores and PickUp in 20 stores. These services have been added to our offering because we have seen how our customers could benefit from an overall service. So instead of buying a fridge, they can buy a fridge and have it installed.

Our Tech Squad helps with cellphone updgrades, as well as minor technical problems in store. PickUp also offers customers a further choice on how to get their products to their homes in a way that best suits them. We also have new financial services offerings and ways to pay, such as partnerships with Standard Bank UCount Rewards and Discovery Miles, and an extensive credit offering and layby for customers.

Most recently we are trialling 'buy now, pay later' offering BuyNowPayLater in Game Canal Walk and N1 City, which allows customers to purchase items and pay them off within three months, interest-free. This gives our customers flexible payment options that suit their needs.

#### ## What have been the most challenging parts of the store transformation process?

We transformed 115 stores in less than 18 months – the first time in Game's history. At every step of the way our teams rose to the occasion.

**III** Let's go back to what necessitated the need for a turnaround plan in the first place. What do see as the main factors that contributed to Game's underperformance over the last few years?

Game is a large South African brand that had lost its way a few years ago. However, it has always remained a trusted and relevant brand for South African shoppers, and we are ensuring this remains through our turnaround strategy, which is assisting us in transforming our business.

This strategy is more than providing a modernised look and feel, but looks to ensure we remain top-of-mind for South African consumers across our categories and ever-expanding product ranges – which are in line with consumer needs and making sure customers get efficient in-store and online service with Tech Squad, Game Installation Services and new ways to pay.



Source: Supplied

## **III** Two years ago Game replaced its fresh & frozen food category with basic apparel. What has shopper response been like to this newer offering?

We identified an important gap in the market for seasonally-relevant casualwear designed with the South African consumer in mind. Our customers have, and continue to, respond incredibly well to our offering, which includes basics and essentials for adults, children and babies. We have sold over 2.5 million items of clothing as local customers continue to seek value alternatives for essential items.

Our powerful team of buyers works to ensure we remain in line with trends, while serving the needs of our customers for each season. We also worked to increase the number of local suppliers, increasing this from 54% in 2020 to 64% this year.

**III** With online retail still commanding a very small percentage of total retail sales, to what extent is e-commerce being prioritised in the overall sales strategy for Game?

<u>In April we launched</u> an improved website for our consumers, in line with the transformation of our business. This was a significant step in our turnaround strategy and is evidence of the investment that Walmart and Massmart are making in Game. The website offers our consumers an improved experience with new features, functionalities and categories that were previously not available online, including liquor.

Other new features and functionalities include improved search and navigation, order tracking, online returns, and a new pick-up option in selected stores. In June we experienced a 140% transaction growth month-to-date when compared to June 2021 – directly demonstrating the importance of this new website, as South African consumers continue to shop online.



### Game turns a corner on turnaround strategy

8 Jul 2022



# ## As South Africa is in a precarious place economically, and consumer spending is constrained, how does Game expect to fare in this operating environment?

We believe customers will be looking for quality products at unbeatable value – and this is where Game can help serve customers in a challenging economic environment. With the cost of living constantly rising, we expect the bargain-hunting trend to stick around. Consumers are going to continue shopping around for the best deals and prioritising essential items when shopping.

Our shoppers continue to compare prices, and use leaflets to do so. This has made our Price Beat Promise even more important for us, to remind customers that Game beats any price by 10% on the difference if they find the exact product cheaper elsewhere – valid both online and in-store.

We have also created the Low Price Lock – which is a range of household products that have locked prices for 90 days. This gives the customer peace of mind in a time of rising inflation and petrol costs.

As a business, we offer products as part of our 'Never Be Beat' promise. We have select products that we have made a promise to our customers that we will never be beaten on our prices in the market. These products include nappies. Our customers know that they will never find nappies at a better price than at Game.

Our More4Less offering, which we partner with Makro on, brings bundle deals to customers at great value, allowing customers to stock up on household items their families need at better prices when they buy in bulk. These deals are also valid for 90 days for our customers' convenience.

#### **III** What is the next big item on your to-do list at Game?

We never stop looking for ways to serve our customers and to help them with quality products at unbeatable value. For this reason, we are immediately focused on offering our customers the products they need at the best prices.

For example, we are making changes to our range in DIY, using the Game Boksburg store as a trial. Changes include simplifying our offering to make sure we have a compelling price proposition, introducing new ranges such as Bosch branded tools and smart home lighting solutions. We recently launched the largest Game Liquor store to date in our Eastgate store. This has allowed us to introduce 400 new products not seen in Game before.

So while we refine our offering we are always consistently looking to see how we can improve and expand our product

ranges across categories.

### ABOUT LAUREN HARTZENBERG

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