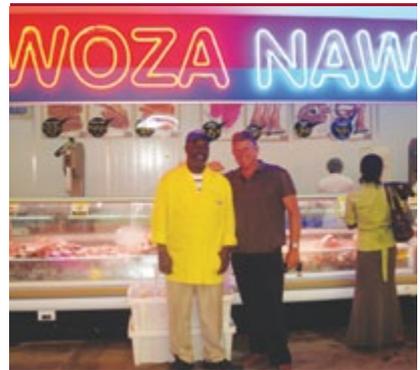




MASSMART

GROUP UPDATE

Cambridge Food joins the group Massmart now serving more customers in KZN



Brett Latimer of Cambridge Food stores.

In December 2008, Massmart received approval from the Competition Commission to acquire a chain of successful stores operating in KwaZulu-Natal. The acquisition will help the group grow its retail customer base in the lower end of the market and allow it to use its efficiency in procurement and distribution to make more food available to more customers.

Masscash acquired four hybrid stores (stores that sell goods to both wholesale customers and retail shoppers) in 2007. This acquisition included Thaba Wholesalers in the Free State region (please see Personal Best issue 9 for full story). The hybrid stores Masscash has chosen have all been well-located, typically opposite high-traffic bus depots and taxi ranks, so that they draw shoppers in large enough numbers to keep pricing competitive and volumes high. Last year, Masscash identified the Cambridge Food chain as an attractive acquisition because of its strong customer base, competitive pricing, well-positioned stores and Cambridge's excellent butchery offering.

Growing together

Cambridge Food operates five stores, three large and two

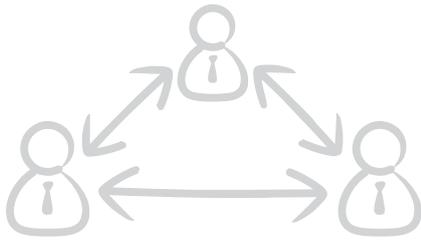
medium format, selling fresh food and groceries in the Durban area. The stores promise customers the best value for money. Through neon pink, yellow and blue signs it declares 'Only the quality beats the price'.

"Our two greatest strengths are the sites we occupy and our ongoing, high-profile marketing campaign," says Brett Latimer, previously sole owner of Cambridge Food and now 49% shareholder (with the remaining 51% owned by Masscash)

Brett Latimer's retail career started in butchery. His marketing focus at Cambridge is to attract customers with low-priced groceries, but optimise the potential of the service departments such as the butchery,

bakery and take-away. "Up until a few years ago, the lower income end of the food market had largely been looked after by independents like me. So, I was pleasantly surprised to see that Masscash had a pretty good understanding of our customers' needs when they took over Cambridge in December 2008," says Latimer.

"The thing I worried most about was that this much larger company would insist on making changes without taking a good look around at what was actually working," he says, "but I must say I'm very impressed with how respectfully this change is taking place. It's been easy for me to reassure my staff, some of whom have been working with me for 20 years, that their jobs are secure."



Latimer appreciates the improvements his business is likely to see in IT and human resources, but adds that he will need to adapt his own leadership style to be able to meet Massmart's needs as a listed company. The common goal is for stores within the Cambridge Food chain to continue benefiting from the positive elements of entrepreneurship, but with the professionalism of Massmart's IT systems, operational procedures and staff training programmes.

Improvements and opportunities

Massmart's Impilo Wellness Programme and the group's em-

ployee training and development initiatives will now be available to Cambridge employees. These programmes are of particular interest to Cambridge Food's human resources manager, Mandy Pillay.

"There will be more opportunities for our employees to grow," says Pillay, "particularly in terms of job promotions and having access to more opportunities."

"Massmart's health and safety programme is also something I look forward to seeing in our stores. Even the CSI activities, the

corporate social investment work we do with our local schools, can have a place within Massmart's broader CSI profile," she says.

Massmart's hybrid store strategy adds volume to the group's food procurement. By obtaining good deals on foodstuff and using operational efficiencies to get these goods to market, Massmart stores can offer the best possible value for money to South African shoppers. That's good news, especially for customers who rely most on low prices. Latimer sums it up with the words that inspired him when he first started the Cambridge Food chain, "Rich people like low prices. Poor people need them." ■



Images: Chris Kirohoff, MediaClubsSouthAfrica

Scenes from South African street markets.