

Pick n Pay opens new price matching front

By [Zeenat Moorad](#)

1 Sep 2014

The battle for market share is intensifying among SA's major retailers, with Pick n Pay the latest to fire a salvo through its price comparison promotion, Brand Match.



South African consumers are closely eyeing their personal balance sheets as ever-increasing living costs, escalating debt and poor job prospects constrain spending, causing a fierce fight among supermarket groups.

"Given the pressure their (customers) are facing, they are shopping around for the best prices and deals being offered ... this can take time and can be confusing. Brand Match offers them the opportunity of not having to shop around, wasting time and money, particularly because in our price comparisons we are including special offers and promotions at our competitors," Pick n Pay CEO Richard Brasher said yesterday, 31 August 2014.

Under Brand Match, Pick n Pay will compare prices of 1,000 top-selling branded products with prices at other supermarket chains. The grocer, which had spent over six months developing Brand Match, worked with research company Nielsen to establish the list of grocery products on which local shoppers spend the most.

When a Pick n Pay customer buys 10 or more different products, and at least one is in the Brand Match thousand, it will trigger an instant price comparison at the till. If the total of their Brand Match products would have cost less elsewhere, the customer will receive a cash-off coupon for the difference - up to a maximum R50.

"It also helps us as a company. By comparing prices against our competitors every week, and offering our customers money back if and when we are more expensive, we're putting pressure on ourselves as a team. That's good because it will encourage us to buy better, manage stock more effectively, " Brasher said.

While Pick n Pay would not name any of the 1,000 stock-keeping units, it did say that the compilation covered the best-selling grocery lines in all of its stores.

"Our smart shopper (loyalty programme) data show that for the most part, our customers are buying an average of less than half of these."

Meanwhile, Woolworths' bigger store strategy continues to perform well - encouraging its customers to shop and spend more with the retailer across a wider variety of products. Over the past three years, the company has aimed to be the destination of choice for grocery shoppers in the upper living standards measure (LSM) 8-10 segment by extending its ranges, expanding stock-keeping units, offering more branded goods, introducing more bulk and expanding space.

"One of the things we've got better at is listening to our customers. They wanted more choice, more brands and better values and we drove the business in that direction," CEO Ian Moir said last week.

The company has upped its marketing by moving into broadsheet advertising. Its Daily Difference catalogue, that showcases price promotions, is available in its stores, as well as in newspapers - as Pick n Pay's and Checker's ads are.

Source: Business Day

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