

Pick n Pay's army of franchisees sees the future of retail

Nearly half of Pick n Pay stores in South Africa (excluding Boxer) are owned and run by franchisees. This large footprint emphasises the important role these stores play in serving Pick n Pay customers in hundreds of communities nationwide.



The story of franchise stores began in 1993 when the first Pick n Pay Family Store opened in Westville, Durban. Founder Raymond Ackerman saw the opportunity in the supermarket sector for a retailer to successfully franchise stores to create more employment and bring its services into the very heart of communities.

Today, franchisees operate over 420 grocery outlets nationwide, with liquor and clothing in their offering, providing business opportunities to hundreds of entrepreneurs.



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Evan-Lee Courie 7 Sep 2023



It's been a remarkable success story, and there's more to come. As Pick n Pay rolls out its Ekuseni long-term strategy announced in May 2022, the franchise stores are beginning to feel the benefits of this group-wide modernisation drive: 35 franchisees have switched to the new QualiSave banner which serves customers in lower to middle-income communities, and they are thriving.

After upgrades at 131 mainly corporate stores by the end of February 2023, the franchise operation is gearing itself up for significant revamps over the next two years to improve its offering to customers in local neighbourhoods across the country.



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The company is providing franchisees with the data they require to make key decisions about driving their growth and profit margins, be it under the Pick n Pay or QualiSave banner.

This was one of the topics discussed when franchisees heard from Pick n Pay chair Gareth Ackerman, CEO Pieter Boone and other executives at the company's 2023 Franchise Conference and Trade Show in Johannesburg.

The annual event incorporated its biggest trade show to date at Sandton City where nearly 200 vendors – consisting of suppliers and service providers – were able to interact and do business with franchisees.

Pick n Pay also created mock-ups of new stores to offer franchisees a glimpse of the future, and there were demonstrations of the latest point-of-sale technology, load-shedding solutions for stores and upcoming omnichannel innovations for the business.

The event represented a new phase in the relationship between Pick n Pay and its franchise owners, who are not only highly skilled and committed retailers but important figures in the communities where they trade.

Franchisees at Pick n Pay have a great deal of latitude to choose what products they stock, meaning they can tailor their offerings to the specific needs of communities. Pick n Pay recognises this as a key strength, and it has introduced an app that will help to develop this potential.



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The app puts suppliers and franchisees in direct contact, and the beneficiaries are customers. For example, if customers ask their store manager for more vegan, vegetarian or free-range products, the franchisee can use the app to find suppliers able to meet the needs quickly and directly.

Under the leadership of group executive Franchise Nelia Kirsch, who marks 18 months in the role in October, this is just one of the innovations Pick n Pay has introduced to recognise and support franchisees.

Opening the conference, Kirsch said the franchise division's success was built on Raymond Ackerman's "unwavering commitment" to the development of entrepreneurial talent and enterprise creation.

Over the years, she said, this had given the company's franchise community "the incredible opportunity to become part of this business and build your own personal wealth and success".



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Pick n Pay franchisees currently provide employment for over 23 000 people alone, and more through their supply chain, as they support local businesses near to their stores.

Kirsch says the Pick n Pay franchise division will continue to evolve a strong entrepreneurial spirit. “We have a focused approach to franchises as they are ultimately owner-led businesses. We understand the hustle associated with being an entrepreneur, and we work with them to grow constantly.”

There are plans to open more franchised Pick n Pay and QualiSave stores in the coming months, and even in the upgrading of their stores, Pick n Pay empowers franchisees to respond directly to the needs of their communities rather than having to stick to a rigid corporate template.

“We want you to be completely focused on the customer,” Kirsch told franchisees. “We are here to support you as you position your business to grow and become more profitable.”

Pick n Pay is introducing a finance product to support franchisees as they install backup power systems, said Kirsch, and an upgrade fund will assist with renovations. These are part of what she called “one of the most successful and mutually beneficial franchise models in the retail industry”.

“We have a strong 30-year successful track record working with hundreds of business owners,” said Kirsch. “We have demonstrated resilience and adaptability in the face of changing market dynamics and economic challenges. We are building on the strong foundations so that our Pick n Pay franchise stores are well-positioned to continue their growth and expansion.”

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