

Lion Safety Match goes to new lengths

[The Lion Match Company](#), whose iconic golden lion is synonymous with safety matches in South Africa, has launched a new match.

Issued by [The Lion Match Company](#) ^{22 Jan 2018}

Double the length of a conventional safety match, the new long match is a first for South Africa. The chief motivation for the new product was safety for those wishing to access hard to reach areas without singeing their fingers. It is ideal for lighting gas stoves, candles and braais.

“The Lion Match Company is expanding, innovating and investing despite the tough economic climate. We created the long match in response to customer requests for a match that burns for longer so that they can reach out-of-the-way places. It is an example of listening to customer needs and responding quickly. We see the new long match as an opportunity to open a few more channels and talk to higher LSM consumers,” says Gora Abdoola, executive chairman of The Lion Match Company.

Whereas the existing Lion Safety Matches is bought by the lower LSMs (one to five), the new Long Match is expected to appeal to the upper end of the market (LSM eight to 10).

It was launched in Shoprite Checkers stores from November and rolled out in other retailers at the beginning of 2018.

An initial investment of R2m has enabled the introduction of a semi-automated line to produce the new long match. Further investment to completely automate the production process would depend on customer uptake of this new product, says Group Chief Executive Officer Basie van Wyk. The Lion Match Company currently produces seven million boxes of match daily five days a week at its factory in Rosslyn, Pretoria. With about 42 matches in every box, this equates to about 30 million match sticks each day.

Matches make up just under 40% of the diversified Lion Match Group's turnover which is expected to reach the R5bn mark by 2022. The group is currently growing at above the inflation rate despite the pressure on the FMCG sector because of the challenging economy.

According to Abdoola, the company has leveraged its 117-year Lion brand, together with its existing relationships with retailers and its established supply chain to diversify extensively within the fast moving consumer goods (FMCG) space over the past 10 years.

“If you look at our base – matches – you find them in every retailer right from spaza shops to hypermarkets. This pipeline provides a sound foundation. The more products you get into retail spaces, the more efficient you become. That's why we are in a unique position. Each new product is only introduced into our stable following careful planning and extensive consumer and market research. With this attention to detail at the core of our business, our legacy has seen great brand innovations,” he says.

Not only has the company added Lion Strikers and Lion Firelighters to its match related portfolio but acquired the largest manufacturer of standard and decorative candles in Newtown, Johannesburg.

A highly successful timber division supports its match manufacturing business.

Lion Quality Shoe Polish, which is the third largest shoe polish brand in South Africa, is also produced from the Rosslyn Match factory.

The Lion Match Company also has a number of contract manufacturing businesses, including Quality Products, a Durban based manufacturer of home and personal care products, Argo Soap and Chemical Industries which manufactures laundry

products in Johannesburg, and Herbal-Homeopathic, a leading specialist manufacturer of complementary and homeopath products.

Private labels have been gaining considerable market share of late and The Lion Match Company has identified this as a strong growth area going forward.

The group's top performer is NSP Unsgaard in Cape Town which produces personal care products that include well-known brands such as Cherubs, shaving brands Lion Duel and Loving Touch, as well as Comfitex feminine care products.

This division is growing at a rate of 22% and has increased turnover from R40m to R240m in just five years under The Lion Match Company banner.

It is in the throes of a R100m investment programme that has seen the installation of a R20m line from Italy to manufacture wet wipes in 2016 followed by recently commissioned equipment to manufacture panty liners. There are also plans to import machinery to make diapers and sanitary pads in coming years.

According to van Wyk, The Lion Match Company (through NSP Unsgaard) is already the market leader in the R400m pantyliner market and hopes to clinch a top spot in the R1.2bn sanitary pad market within a few years. There is currently very little local manufacture of these products. The recent investment in equipment to produce more affordable and price competitive products locally positions the company for growth.

Both Van Wyk and Abdoola confirm that The Lion Match Company will be bringing further new and innovative products to market shortly. It is also still open to further acquisitions to increase its brand portfolio and overall footprint in the FMCG sector.

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