

# Pick n Pay, BP to roll-out small-format stores

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23 Apr 2012

Retailer Pick n Pay and BP Southern Africa have formally combined forces which will see the roll out of small-format Pick n Pay stores located at BP service stations in the major metropolitan areas across SA, the companies said on Monday, 23 April 2012.



Gerard Derbesy CEO of BP Southern Africa with Pick n Pay Chairman Gareth Ackerman after signing the agreement which will see the roll out of small-format Pick n Pay stores located at BP service stations in the major metropolitan areas across South Africa. PnP Express stores stock between 1,500 and 2,500 product lines and stay open 24/7, catering to the convenience retail market.

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The two companies initially signed a memorandum of understanding in July 2008 and have been testing the model since opening the first two PnP Express stores in Hout Bay and Tokai in the Western Cape at the end of the same year.

There are currently nine Pick n Pay Express stores on BP forecourts in SA.

"The initial plan is for 120 BP Express stores to be converted to PnP Express stores over the next five years, although additional stores may also be converted after the initial five-year period," Pick n Pay said.

The roll out will concentrate on BP sites which are most suitably located for Pick n Pay's customers.

Both companies said they were confident that the dual format brought multiple benefits to the two companies, their franchisees, suppliers, and more particularly to South African customers who were in search of efficient and affordable

convenience retailing.

"We've tested the format over the past three years and the feedback from customers is very positive," Pick n Pay's Deputy CEO Richard van Rensburg said.

International experience suggests that small format stores often spur growth and most leading global retailers have a multi-channel presence, including forecourt outlets.

The agreement brings into play key strengths of both businesses, and enables Pick n Pay to expand its small store format while continuing to create new entrepreneurs, in line with its franchise strategy.

Gerard Derbesy, BP Southern Africa CEO said the offering was in line with BPSA's growth and investment plans over the next two years.

According to the companies, the agreement paved the way for significant enterprise development through the development of new and existing franchisees and will add value to B-BBEE (broad-based black economic empowerment).

Chris Reed, franchise director at Pick n Pay, said express stores were small format franchise stores, which, while on BP forecourts, were instantly recognisable as Pick n Pay stores.

"Trading floor sizes are small and typically vary between 150 square metres and 250 square metres," he said.

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