

Supplying locally with global quality

By  Danette Breitenbach

20 Nov 2014

In the UK, the debate raging is about the end of seasonality, with many young people not knowing when the season ends for a particular produce.



© lovebeer - Fotolia.com

"The benefits of global sourcing are choice, availability, quality and price. While global is good for exporters, thinking local is very powerful. The motivation from consumers is quality, provenance, community and environment - and this is not only in the UK, but globally, including South Africa," says David North.

North, the group strategy and corporate affairs director for Pick n Pay, made these remarks when he addressed delegates at the Retail Congress Africa 2014, held at the Sandton Convention Centre, in Sandton, Gauteng, from 18-19 November 2014.

The topic of his presentation, 'Thinking globally but acting locally within the context of localising your sourcing', can almost mean what you want it to mean, he argued. "It can mean to be globally competitive but tailor your product, or go around the world and source products but consider the area, or to strive to be a globally effective organisation, where your ideas are global but your products are sourced locally."

His preference: the third option.

So what is South Africa... global or local? In South Africa, 75% of food consumed is locally sourced, compared to 60% in the UK. This is not really a surprise, he says, given the local geography (South Africa lends itself to a greater variety of products). However, the UK has fallen from 78% in the 1980s, showing a steady decline over the past 20 to 30 years.

He quotes the reasons for this as the UK has become more focused on Europe and it has become more urban. But, he

says, the real change has been in consumer attitude and the response of retailers to that. "It is about the right place at the right time for the best products and there is no mention of the word local," he says.

Pick n Pay sources 90% of its fresh product from within the country and has a policy of prioritising local sourcing. North says the impact of the benefits of that policy is significant, which includes spend of R40 billion a year on buying products from South African suppliers.

South African consumers want to buy local, he says, with 68% of customers more likely to buy a product if it is local. However, only 25% of customers are prepared to pay more for a local product.

"Pick n Pay's customers want the same as customers the world over - products that are of a global standard - and this is the challenge for retailers: to act local while satisfying the increasingly global needs of customers."

To achieve this, a retailer has to have strong supplier partnerships, and key to these is communication, collaboration and common purpose. "You see how true this rings when you view it in the context of the horse meat scandal. This was a big deal in Europe and shook consumer confidence in the retailer and the manufacturer. The greater the length of the food chain, the more open retailers are to this because they are so far apart from their suppliers. If you are working closely with local suppliers then you will not open yourself up to this."

It is these close relationships that give customers what they want: global quality but through locally sourced products. The connect is sourcing local products to global standards.

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

■ Retailing in Africa: no free lunch - 5 Nov 2014

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>