

Andrew Stein on how Game is rediscovering its retail mojo



By <u>Lauren Hartzenberg</u>

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Game emerged on the South African retail scene 50 years ago, when founders Alan Hellman and Jack Schaeffer opened the first store in Smith Street, Durban. The retailer and its playful pink branding have stood the test of time, with over 100 Game stores dotted across the country today and a footprint in 12 African countries.



When Game entered the market, South Africa's retail environment was well-developed, but the dynamic 21st century landscape has grown more competitive driven in part by the entrance of numerous new brands and the rapid pace of technological change.

"As the South African market saw the entry of many retailers, both foreign and local, competition grew, technology developed, and consumers have become the drivers of their own experiences. This has challenged us to constantly relook at our strategies in order to remain successful in an ever-evolving, competitive sector," says Game vice president Andrew Stein.



Andrew Stein

Here, Stein shares how Game has navigated business challenges and opportunities over the years, and how the brand aims to remain relevant in retail beyond 2020.

III Massmart <u>announced earlier this month</u> that it may cut approximately 1,800 jobs at Game stores in SA. What do you believe led to this decision and what does this mean for the Game brand

We have initiated a Section 189 Consultation process at our 122 Game stores in South Africa. This follows the combined effects of Game's poor performance in the 2019 financial year and the recent negative impact on store sales from Covid-19 trading restrictions.

As a result, we are proposing a more resilient customer-focused store operating model that will contribute to improving the performance of our Game stores in South Africa. It is important to emphasise that this process will not result in store closures.

III With Game celebrating its 50th birthday this year, can you comment on how the local retail landscape has transformed from when the first Game store opened until present day?

Game first opened in Durban in 1970 and was a bright pink stand out shop that had interesting stock piled high. It was the first of its kind in novelty articles, general merchandise and dry groceries. Customers loved that shopping could be a Game and the store was lively and loud.

In recent years, Game lost focus and pursued merchandise categories that were not necessarily core to its expertise. Notwithstanding this our customer base has remained incredibly loyal to the brand, particularly our customer heartland which comprises middle market consumers. This is perhaps best illustrated by the fact that 1 in 3 TVs in SA are sold by Game.

The focus under our new leadership team has been on re-establishing the Game customer proposition and we have made significant progress. Most notably this has involved re-invigorating our merchandise proposition through initiatives that have included removing fresh meat and produce, launching clothing essentials, increasing private brand (for example, Powerworx) and getting back to retail basics by ensuring excellent merchandise on shelf standards and stock availability.

We have also expanded our online offering which has shown triple-digit growth and we will launch our new concept Game Reimagined store on 26 August. In short, we are rediscovering our mojo.



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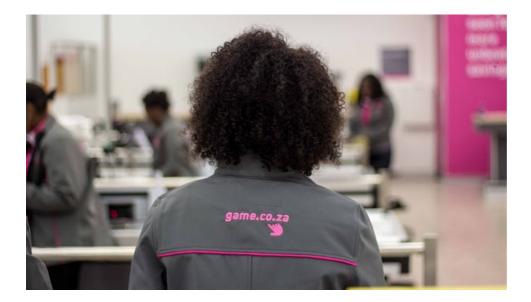
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What are the biggest challenges and opportunities facing Game right now, especially as it navigates its way through a pandemic?

Our strategy in the pandemic has been a clear and simple one: 'safe, stocked and comfortable'. This has proven effective as we have seen more pensioners, students and social grant recipients choosing Game over our competitors. In other words we are reaping the benefits of being firmly focused on setting the standard for Covid-19 customer safety.

Where does online retail fit in Game's broader strategy?

We took longer than originally anticipated to launch our online platform, but have since launching it we have expanded our merchandise offering, introduced a WhatsApp ordering number in certain stores in the rest of Africa where customers can place orders with stores directly on WhatsApp, whilst also entering into a last mile delivery <u>partnership with Uber</u>. The result has been significant transaction growth.



III Game is currently present in 12 African countries. What broad-stroke advice can you offer other South African retailers considering expansion across the continent?

No two geographies are the same, so you need to be deeply respectful of the uniqueness of customer needs, desires and aspirations.

As Game's vice-president, what do you enjoy most about working for the company?

The science and the skill in merchandising, marketing, supply chain and the operations (stores and e-commerce) are all paramount, and they are so deeply interdependent in retail so I enjoy the detail in these and how they fly in formation – they have to. But most of all I like the opportunity working at Game offers me to get out of my office and interact with staff and customers in our stores.



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Which consumer trends do you suspect will have a profound impact on Game, and the retail sector in general, over the next decade?

No one can predict the future but it's who pivots the best that gets the edge. No one predicts a full decade but in the next 6 to 12 months we will see customers visiting less frequently but buying larger basket sizes. They prefer to come to a onestop shop so 'safe, stocked and comfortable' works well.

E-commerce growth will continue but not at numbers we saw in the hard lockdown. Perhaps more than anything, lockdown has reinforced that we are social beings who thrive on interaction. Slowly but surely people will start enjoying meeting together in malls and enjoying retail therapy in a physical store environment albeit with online as an important option.

ABOUT LAUREN HARTZENBERG

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