

## **Q&A** with Cape Union Mart Group



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We chat to Georgia Barry e-commerce manager of iconic South African retail brand Cape Union Mart. Gathering insights into their three sub brands; Poetry, Old Khaki and the recently launched Tread+Miller as well as trends in the local online retail spheres.



# Can you give us some background on the Cape Union Mart Group? From its birth in 1933 how has it grown over the years?

The history of Cape Union Mart dates back to 1933 when the late Philip Krawitz, grandfather of the current Chairman, founded the business on the corner of Corporation and Mostert Street in Cape Town. Cape Union Mart originated as an "Army and Navy Store" and became famous for its "everything from an anchor to a toothpick" product range.

Apart from an extensive range of merchandise, the store became known as "the friendly store" and focused on building unique relationships with its customers. Cape Union Mart was the first importer of many famous products such as Levi Jeans, Hong Kong anoraks, Norwegian socks and Gore-Tex foul weather clothing. It now proudly stocks the largest range of outdoor gear and apparel in the country.

The K-way brand is a proud product of the Cape Union Mart family. Our locally designed technical and outdoor apparel is tested globally in some of the world's toughest environments, such as Kilimanjaro and Mount Everest, and has become a much loved brand in South Africa.

The Poetry, Old Khaki and Tread+Miller concepts have all been 'incubated' within Cape Union Mart and have grown out of a need to better serve our customer base for all their lifestyle needs.

In a few weeks, we will celebrate 200 stores across our group!

#### **III** How would you describe your business model?

It's simple: we want to deliver awesome retail experiences. We are proud to stock and sell our own brands, namely K-Way, Rare Earth, Poetry, Old Khaki and Arthur Jack. Quality and customer service are always our highest priority.

#### **III** Can you give us some background on sub brands and retail outlets: Poetry, Old Khaki and Tread+Miller?

Old Khaki is a men's and women's casual brand. It was the first of the brands to branch out into a stand-alone store concept and opened its doors in 2005. It currently boasts 63 stores.

<u>Poetry</u> is a ladies lifestyle brand, which followed in December 2009 with the first store in Cavendish Square, and can now be found in 31 shopping centers across South Africa and Namibia.

<u>Tread+Miller</u> is a men's urban footwear brand, which also offers a curated collection of ladies footwear. It has been the fastest growing brand in terms of store locations with 11 across the country, having only launched end of August 2015.



#### **III** Tread+Miller only just launched, what has the growth and response been like?

The growth has been phenomenally fast. Since its inception at the end of August 2015, 11 Tread+Miller stores have opened in South Africa as at the end of March 2016. Another 3 stores are scheduled to open during the month of April this year. This is indicative of a positive response from shopping centres, as this is truly a unique offering for the South African male consumer – to find a footwear destination dedicated to the style-focused man. The South African man has really loved the dedicated ranges and the shopping experience designed for him. We also launched our online store to broaden our reach and to offer our customers the opportunity to shop while we grow our brick and mortar presence. Our collection of locally produced Simon and Mary headwear has too evolved to include a selection of trilbies, mounties and classic safari style hats. We have a variety of colours in the various styles, with key winter colours being classic black and olive.



#### **III** What is the biggest challenge in running online shopping stores in SA?

Building trust with our customers. Trust that their payments are secure and that their parcel will arrive. Delivery costs are also a challenge. We offer free delivery on all of our websites, and whilst this is a big motivator to purchase online, it can affect your bottom line and quickly become a large expense.

#### III Tell us about a day in your work life.

A usual day in the office involves operational updates (order fulfillment and customer service updates); meetings with marketing across our traditional and digital areas; monitoring of daily orders and sales, as well as keeping an eye on our online dashboards for searches and trends. Everyday updates with our content and photography teams are critical, and always squeezing in some time in the morning or afternoon to do site browses!



#### **III** How do you see e-commerce developing in South Africa?

South Africa's tough economic climate and the rand-dollar ratio have impacted many players in the offline and online space. Consumer purchasing power is decreasing and as a result, retailers need to reconsider their value proposition.

Whilst ecommerce penetration in South Africa is still relatively low by global standards, we foresee a convergence between physical and online retail and a move towards simpler payment methods, offering customers a seamless experience across all platforms. In the future, there should be no difference between ecommerce, commerce and retail. Currently, consumers in South Africa have trepidations around delivery, security of payments online and cumbersome checkout procedures. These are the challenges that retailers need to overcome in order to earn the trust and loyalty of customers online. With the growth of smartphones, the improvements in speed and cost of access to the web, the revolution in couriers and the education of the customers, we see much opportunity!



#### ## How do you see Cape Union Mart evolving in the digital and commerce spheres?

Cape Union Mart views ecommerce as an opportunity to add value to our existing customer experience. It is an extension of our brick and mortar customer experience and our strategy is to build a seamless, omni-channel experience for our customers, irrespective of the platforms that they choose to purchase on. This single view of the customer and their experience is what we strive towards.

In future, our ecommerce sites will become a destination for customers to purchase extended ranges and sizes. Our goal is to never miss a sale in a brick and mortar store as a result of being out of stock. Our Cape Union Mart website strategy is to become a research destination for all things outdoor, whilst supporting our stores and driving our consumers' interest in the outdoors.

Digital allows us the privilege of deepening our relationship with our customers and providing more personalized and relevant service and information.

### ABOUT RUTH COOPER

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