

## Zim retailers sideline wholesalers as competition intensifies

Zimbabwe's retail players are circumventing wholesalers in the country's supply chain as retail competition in the country intensifies. Retailers are seeking direct relationships with manufacturers in order to cut prices and keep customers in a highly competitive market.

By [Dumisani Ndlela](#) 17 Sep 2009

Todd Moyo, chairman of National Foods, an associate of South Africa's Tiger Foods, said: "Increasing competition in the food supply chain seems to indicate less of a role for the traditional wholesaler and a more direct relationship between the retail trade and the manufacturers."

The development has forced manufacturers to realign operations, while wholesalers are struggling to keep their depots relevant.

The elimination of wholesalers is giving latitude to retailers to push their brands aggressively.

TM Supermarkets said its TM Super Saver house brand, a culmination of the direct relationship with at least 21 manufacturers, had allowed it to "charge forward" and reinforce its top spot on the market.

"This is an exciting phase of our brand building," said managing director Bisset Chimhini.

But National Foods said it would help protect wholesalers who had, through their third party depots, helped generate cash and contributed to brand exposure.

"Accordingly, we will convert the depot network to distribution points for our wholesale customers...We hope to maintain 17 functioning depots nationwide," said Moyo.

### ABOUT DUMISANI NDLELA

Dumisani Ndlela is a Zimbabwean journalist specialising in business and financial reporting, with experience reporting on commodities, stock and financial markets, advertising, marketing and the media. He has previously reported from a number of regional countries as well as from the UK and Germany on commodities and regional integration. He can be contacted on [dndlela@yahoo.co.uk](mailto:dndlela@yahoo.co.uk).

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