

Meikles to rebrand TM Supermarkets into Pick n Pay

Zimbabwe's Meikles group has agreed to allow Pick n Pay to rebrand TM Supermarkets after a deal in which the South African retailer will shore up its shareholding in the supermarket chain to 49%.

By [Dumisani Ndlela](#) 2 Dec 2010



Reliable sources said under the deal in which Pick n Pay will increase its stake in TM Supermarkets from 25% in March 2011 for a US\$13 million cash consideration, the TM brand will pave way for the Pick n Pay brand in at least six top tier retail outlets across the country in Harare, Bulawayo, Mutare and Victoria Falls.

Various outlets to rebrand

The Harare outlets likely to come under the Pick n Pay brand name are the upmarket Borrowdale, Avondal and Newlands outlets. Pick n Pay had funded the "re-imaging" of TM Borrowdale, which could become a model for the rebranded outlets.

The Bradfield outlet in Bulawayo will also come under the Pick n Pay brand. These Pick n Pay outlets will be fully stocked with Pick n Pay branded merchandise and will increase their state of attractiveness. Mid-tier TM Supermarket outlets are likely to experiment with the 'Extreme Value' brand.

Well-stocked outlets

"These will be nice and well stocked," a Bizcommunity source indicated, saying a new addition would be wholesale units servicing the bulk customers "to deal with competition".

"It's a way of responding to competition from other retailers, particularly Spar which has rolled out a number of upmarket stores. The group also has to deal with the emergence of Chinese shops that have captured a significant portion of the market," the source indicated.

In addition to competing with smaller grocery, specialist and convenience stores, TM Supermarkets competes with other supermarkets and cash and carry stores and franchise outlets. The most significant competitor is supermarket chain OK Zimbabwe, which has 49 outlets, as well as the fast growing Spar franchise now with over 50 outlets in the country's northern region alone.

Questions sent to a Meikles had not been answered at the time of writing.

Trading in foreign currency

Pick n Pay has supported TM Supermarkets with stock since the introduction of Foliwars licences last year which allowed local companies to trade in foreign currency. When the country dollarised early this year, the South African group extended a large chunk of cash to enable the local operation to restock.

Pick n Pay is also expected to provide management to the Zimbabwean retail chain, and directors had indicated the existence of "close coordination and assistance from Pick n Pay South Africa".

ABOUT DUMISANI NDLELA

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