THE SA W&R INDUSTRY RE-IMAGINED AS A SECTOR OF CHOICE

10 JUNE 2025

AFRICA/EAST & WEST IMMERSION

ILDP 24/25 CANDIDATES

TEAM CLASH-MSL OVERVIEW

128 Years Retail Experience

- Human Resources
- Finance
- Operations
- Retail Media
- Design Engineering
- Field Marketing
- Supply Chain
- Digital Transformation
- SME Collaboration

AUTOBOYS

VAN SCHAIK TAKING YOU PLACES BOOKSTORE

REGENCY® SOUTH AFRICA

SMOLLAN

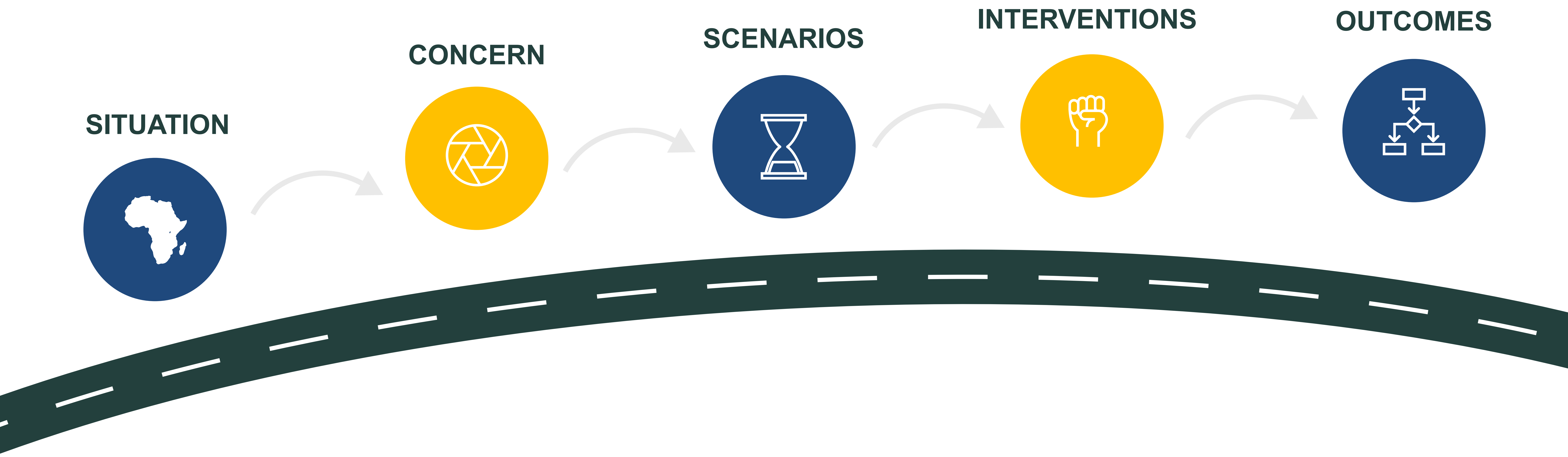
Massmart powered by Walmart

W&R SETA ILDP PGDIP 2024

SPAR

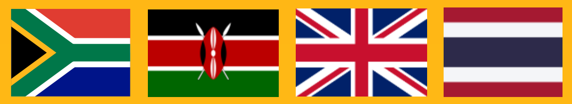
MOTIVATED SNR LEADERS.
CLASH - MSL
"HLANGANANI"

SA W&R TRANSFORMATION JOURNEY



THE OPPORTUNITY

Unlocking the **untapped potential** of the sector, by combining **global innovation** with **local insights** to drive purpose-led growth through strategic partnerships and end-to-end value chain integration with **SMEs and employees**.



CHALLENGES IMPACTING THE SA W&R SECTOR 2025

POLITICAL
Political uncertainty and policy instability *(OECD, 2023)*

ECONOMIC
Retail contributes 21% to GDP *(DTI, 2022)*

SMEs contribute 34% to GDP *(Edge Growth Ventures, 2025)*

SME turnover dropped by 50% in 2024 *(Lula, 2025)*

SOCIAL
High social inequality

60% digital and soft skills gap in retail *(W&RSETA, 2022)*

TECHNOLOGICAL
Disruption through automation, AI adoption and e-commerce *(McKinsey, 2021)*

LEGAL
Labour regulation & compliance challenges

Skills development mandates

ENVIRONMENTAL
Pressures for sustainability and ESG compliance *(UNEP, 2022)*

GLOBAL INSIGHTS FOR LOCAL RELEVANCE

1 THE EVOLVING WORKFORCE

- Retail workforce transformation forecasts Mckinsey predicts a 33% **retail job reduction due to automation.**
- Retailers in London are focusing on **technology-driven personalisation,** sustainability, and omnichannel experiences. (Alibaba, Ocado & M&S).
- **Seamless integration** across online, mobile, and in-store platforms (self-service and checkout offerings (London & Thailand).

2 BRIDGING THE DIGITAL DIVIDE

- Training programs for **retail staff in digital tools,** customer analytics, and AI systems.
- **Smart Retail Formats** (Central & Siam Paragon Department Store).
- **Soft skills** are important as the "employee is king" was described by retailers in Kenya & Thailand. These employees can **deliver the personalized experiences.**

3 ENABLEMENT OF SMEs

- **Bring SMEs into the eco-system** to participate the economy.
- **Develop SMEs** and involve educational institutions to drive **customer-centricity.**
- London has strong venture capital and SME support
- **Local partnerships** and collaboration, SME support: Kenya emphasizes community-rooted retail (Jaza).

Source: Immersions visits

DIGITAL ADOPTION TIMELINE

SA's W&R Sector (2025 - 2045)

◆ = Early stage
◆ = Mid-level transformation
▲ = Advanced transformation

2025

5% Adoption

- ◆ Stable employment
- ◆ Sector begins AI pilots; major retailer launches cashier-less store.

ocado · M&S · Safaricom · jaza

2027

10% Adoption

◆ 5% displacement
Public concern grows; digital literacy campaigns begin

Carrefour

2030

15% Adoption

◆ 10% displacement
First wave of job loss in supply chain & cashier roles.

CENTRAL Group

2035-2037

Up to 50% Adoption

◆ 30% displacement
Retail labour unrest; calls for a **national reskilling strategy.** Ecommerce and wholesale fully digitized; upskilling efforts struggle.

UNIVERSITY OF LEEDS · PIM · Alibaba.com

2040-2043

Up to 85% Adoption

▲ 55% displacement
Informal retail begins shrinking; AI dominates logistics and service roles. "Retail AI Skills Accord" signed between government & business.

2045

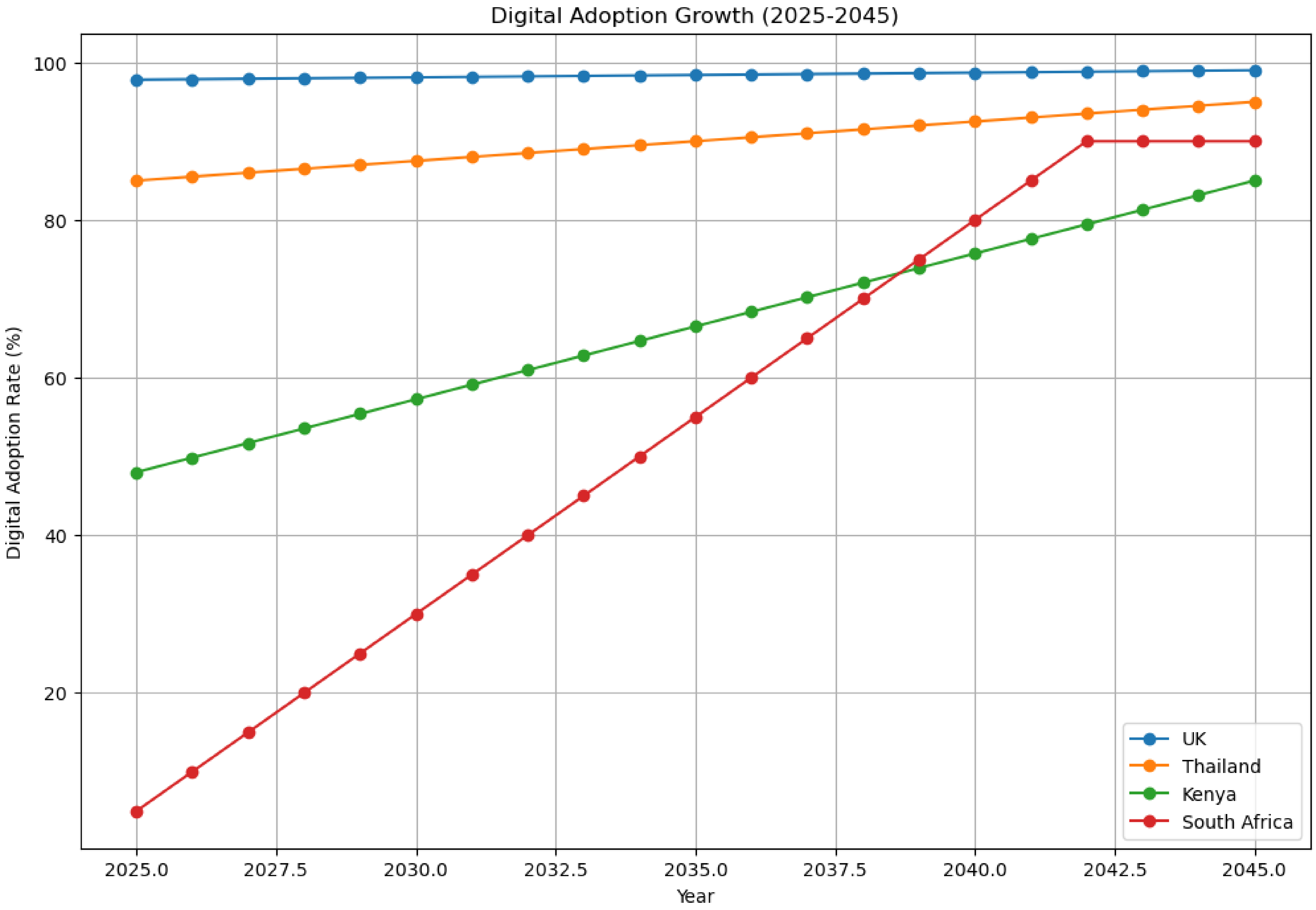
90% Adoption

▲ 60%+ displacement
Sector productivity peaks, but inequality widens without education reform.

7-ELEVEN

Source: ChatGPT + Immersions

GLOBAL DIGITAL ADOPTION COMPARISON



Comparing South Africa’s projected digital adoption in the Wholesale & Retail sector with current and projected digital adoption in the UK, Thailand, and Kenya.

97.8% – Near full digital maturity.

85% – Strong digital infrastructure and adoption.

48% – Rapidly growing, but still developing.

SME INVESTMENT TIMELINE

SA’s W&R Sector (2025 - 2045)

2025 — Foundation Phase

5% of SMEs digitally enabled
Government and industry launch SME digitization pilot programs
Initial funding and mentorship hubs established in urban centers

2027 — Early Momentum

15% of SMEs integrated into digital supply chains
Public-private partnerships expand to rural areas
First national SME innovation challenge launched

2030 — Scaling Support

30% of SMEs receive formal investment or support
Tax incentives introduced for retailers sourcing from local SMEs
Sector-wide SME digital marketplace launched

2035-2037 — Mid-Level Transformation

50% of SMEs digitally integrated and financially supported
National SME Resilience Fund established
Retailers begin co-developing products with SMEs

2040-2043 — Advanced Collaboration

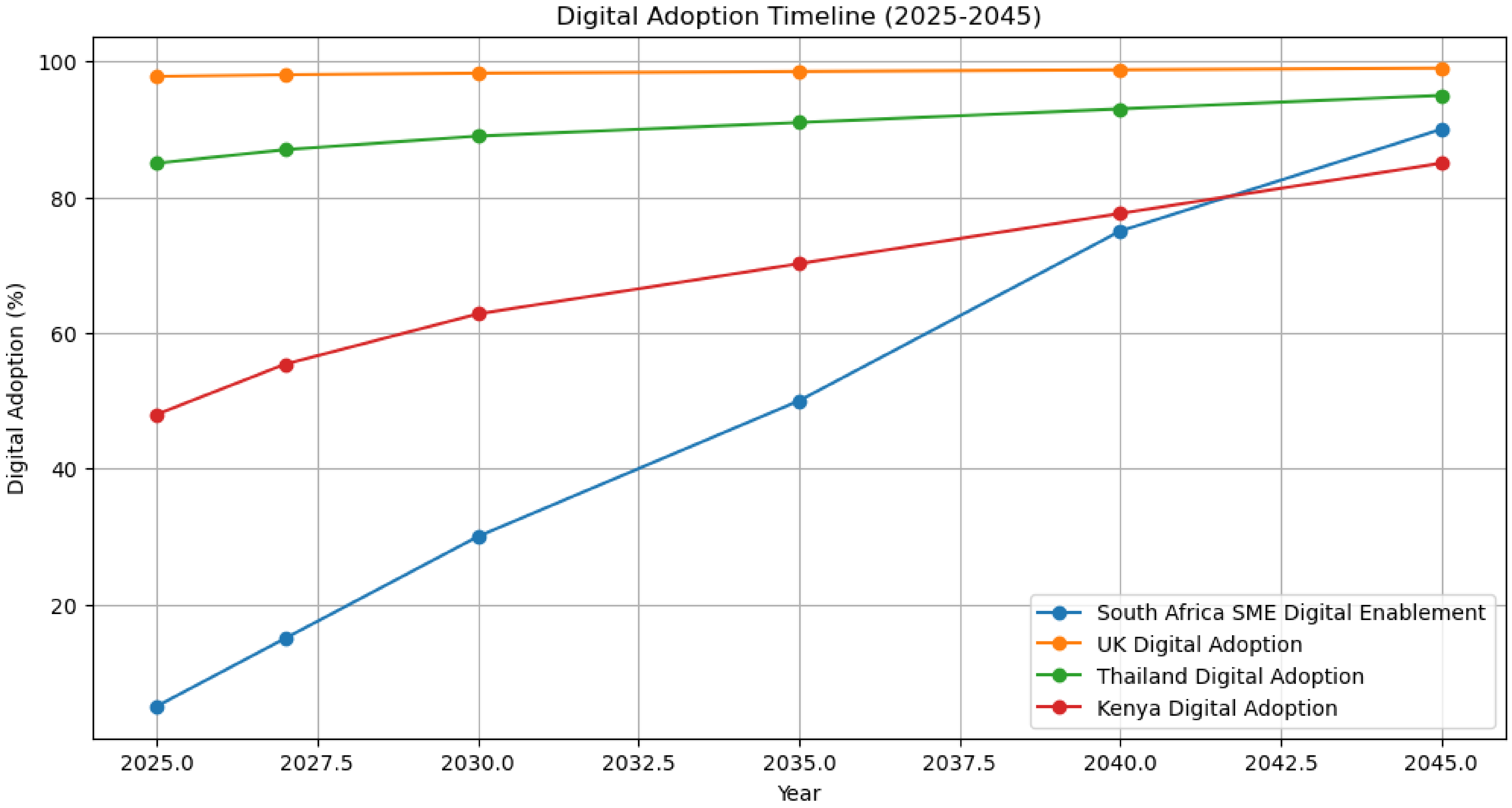
75% of SMEs embedded in formal retail ecosystems
AI and data tools made accessible to SMEs
Cross-border trade platforms open to South African SMEs

2045 — Maturity & Sustainability

90% of SMEs digitally enabled and sustainably funded
SMEs contribute significantly to sector GDP and employment
Sector-wide “SME Growth Accord” signed to ensure long-term support and innovation

Source: ChatGPT + Immersions

GLOBAL SME INVESTMENT COMPARISON



Comparing South Africa's projected SME investment in the Wholesale & Retail sector with current and projected digital investment in the UK, Thailand and Kenya.

UK is near saturation at 97.8%

Thailand progresses from 85% to 95%.

Kenya shows the most dramatic growth from 48% to 85%.

A BLUEPRINT FOR SA W&R TRANSFORMATION

Synthesizing the strengths of Thailand’s localization and ESG alignment, Kenya’s community-centric innovation, and the UK's digital maturity and governance.

1. **Build resilient, inclusive, and sustainable retail ecosystems.**
2. **Position ourselves as a sector of choice through policy-driven innovation, empowering society, and SME enablement.**
3. **Foster collaborations with academic institutions and industry leaders to co-create future-ready retail models.**

INTERVENTIONS

INTERVENTION 1:
Prioritize and Invest in Skills Development & Industry Readiness

Employees
Up-skilling & Re-skilling

SME
Skills Development

SYNERGY

INTERVENTION 2:
Enhanced Retailer-SME Collaboration

COMPLEMENTS KEY INSIGHTS FROM IMMERSIONS

Digitization, Leveraging Analytics, Employee Value Proposition, Data Sharing, SME Collaboration

ADDRESSES PROBLEM AREAS IN SOUTH AFRICA

Technological Disruption, Digital Skills Gaps

INTERVENTION 1

Prioritize and Invest in Skills Development & Industry Readiness

EMPLOYEES

TECH & SOFT SKILLS

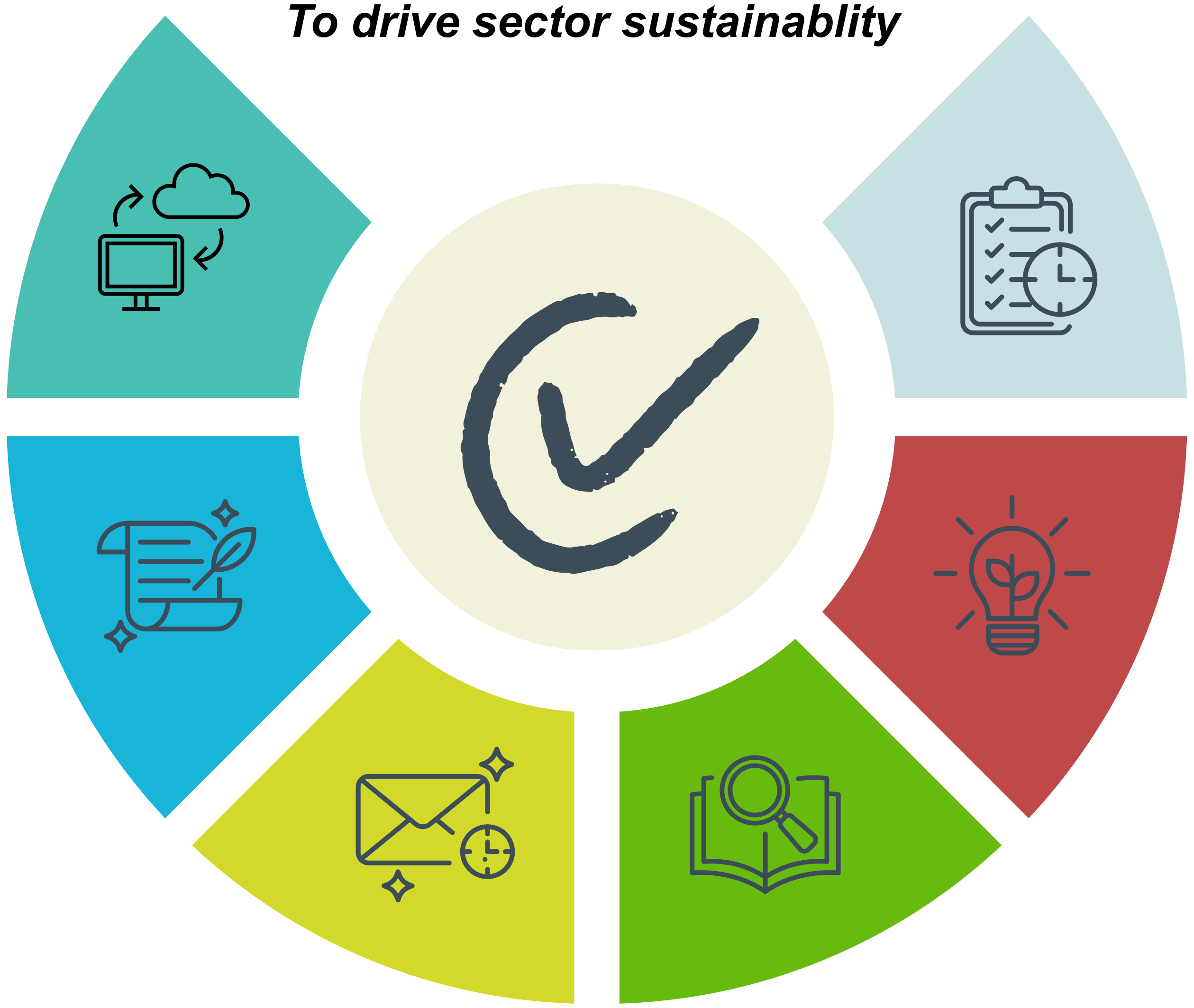
Future ready workforce
- Soft skills e.g. critical thinking and adaptability.

Tech skills
- Data analytics.
- Machine learning and AI.
- Digital marketing techniques.

KEY INITIATIVES

- Redesign retail roles to create future fit positions.
- Collaborate with SETA, NGO’s and Tech companies.
- Human-AI Collaboration Models, combine AI tools with human roles (e.g. Tesco).

Enabling a Future fit Workforce
To drive sector sustainablity



SME'S

TECH & SOFT SKILLS

- Micro courses for business owners.
- Training providers - Mzansi Digital Learning, Grow with Google, Microsoft Academy.
- Funding sources - retailers and W&R SETA.

BIG RETAIL COLLABORATION

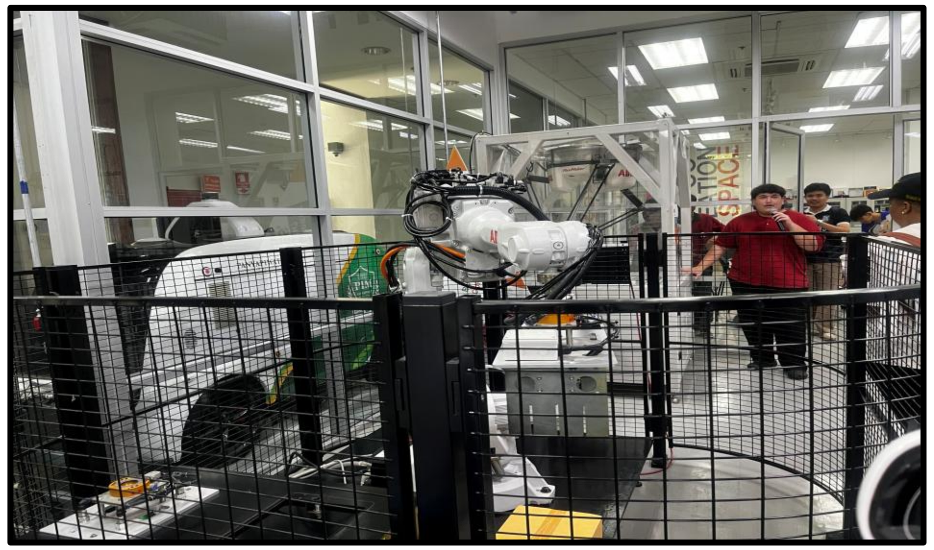
Expand retail apprenticeship programs **“earn while you learn”** i.e. 7-Eleven – PIM.

EVIDENCE-BASED INSIGHTS

Skills Development & Industry Readiness

1 TECHNOLOGICAL SKILLS

- Human-AI collaboration models.
- Combine AI tools with human roles.

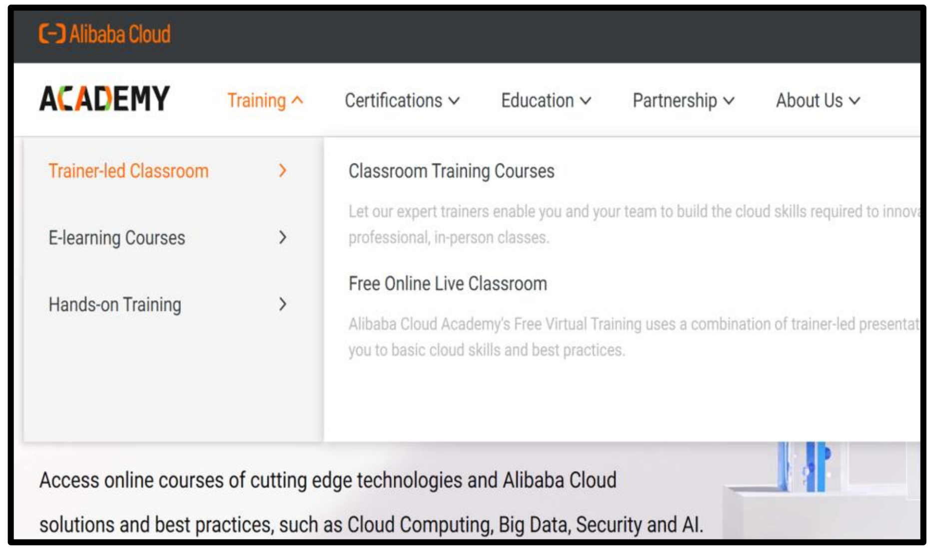


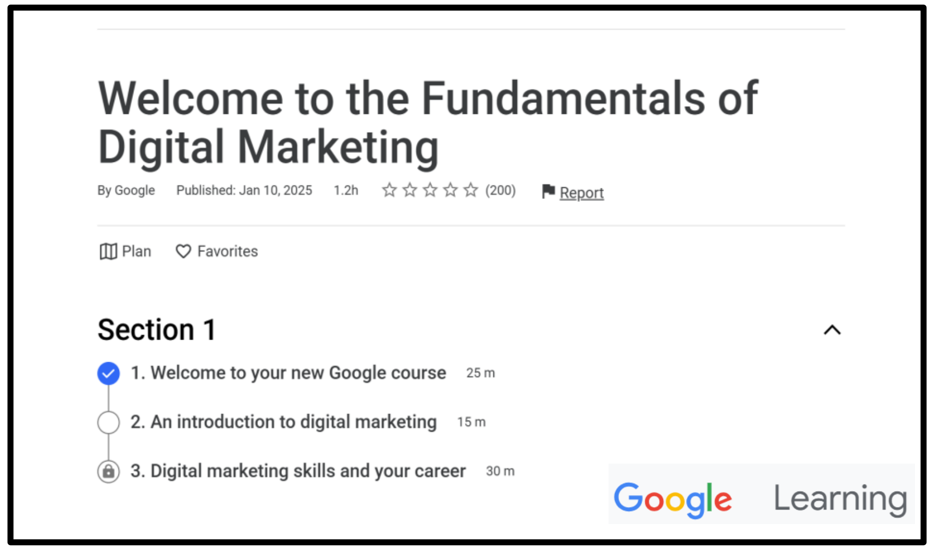
2 INTEGRATED LEARNING

- 7-Elevan mock store + Panyapiwat Institute of Management (PIM).

3 MICRO LEARNING

- Digital platforms.
- Digital and soft skills.





INTERVENTION 2

Enhanced Retailer-SME Collaboration Efforts

IMPORTANCE OF SMEs

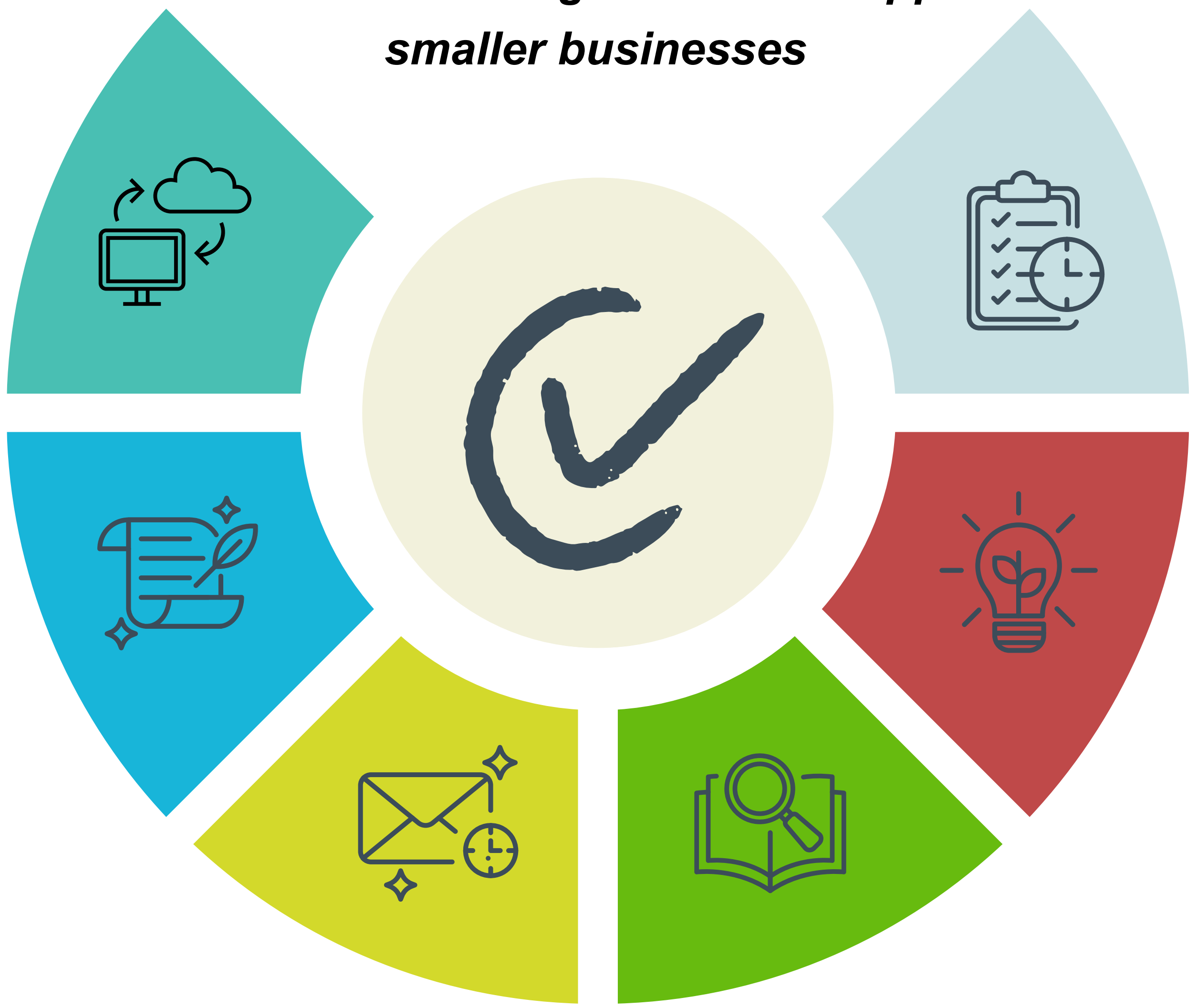
- 22% of SMEs operate in the retail sector, making the retail sector one of the largest sectors for SMME activity (Shoprite SMME Report, 2025).
- Need to create an ecosystem that encourages mentorship, market access, networking opportunities and inclusivity.

STRENGTHEN MARKET ACCESS

Share knowledge and resources, achieved through:

- Retail partnerships.
- Supplier development.
- Local procurement.

Solving the sector's key challenge to ensure that larger retailers support smaller businesses



RESULTS

- Inclusive and sustainable SME and retail growth.
- SMEs become part of formal economic and retail eco-systems.
- Opens up stable revenue streams for SMEs.

COLLABORATION MECHANSIM

SMME Support Plan (SSP) for larger retailers (250+ employees), submitted via the WSP/ATR mandatory grant process. SSP KPIs:

- Enterprise development: Funding, incubation, mentorship and procurement access.
- Market access: Sourcing from local SMMEs.

INTERVENTION REFLECTION

- During immersions - Established retailers must be **customer-centric** across all platforms and touchpoints.

- Achieving this - Invest in **upskilling and reskilling initiatives** is essential.

- By focusing on both **technical and soft skills development**, and fostering greater **collaboration with SMEs**, the industry can unlock **predictive, responsive, and value-driven experiences**.

- This not only accelerates industry readiness and skills advancement, but also strengthens customer relationships.

KEY OUTCOMES FOR SECTOR TRANSFORMATION

SKILLS & INDUSTRY READINESS
Employees & SMEs

CREATE CAREER PATHWAYS
for W&R sector employees

REDUCE INEQUALITY
Equipping semi-skilled workers

CAPACITATE SMEs WITH FUTURE READY SKILLS
To drive sustainable value

TRANSFORM AND ELEVATE RETAIL ROLES
To make it a sector of choice

THANK YOU FOR YOUR ATTENTION

If you have any further questions or would like to explore opportunities to work together, please don't hesitate to reach out to us.

CLASH-MSL est. 2024

Graduate Business School, University of Cape Town