A TIME TO REFLECT

How fast time flies! Welcome to our 7th issue of Runcit Malaysia magazine. It seems like only yesterday when we rolled-out the first copy of Malaysia’s only business improvement magazine for the traditional trade!

I must say it has been quite a journey, especially in the initial stages. As no such magazine had ever existed in Malaysia before, most people (even among the manufacturers) could not comprehend the Runcit Malaysia concept. Some even doubted that it would do any good.

But we persevered because we were convinced that retailers, like you, needed and would readily welcome credible and practical advice to strengthen and modernise your business, especially given the many challenges of running a small business today.

Just to take stock of how retailers were responding to Runcit Malaysia magazine, we recently conducted a massive survey of 1,920 retailers throughout Peninsular Malaysia. The results (reported inside this issue) were highly positive and most encouraging! We found that the majority of you do read the magazine and find it beneficial.

We are very proud of the fact that the Government is very supportive of Runcit Malaysia, as Yang Berhormat Datuk S Veerasingham informed us during a face-to-face interview. The Deputy Minister of Domestic Trade & Consumer Affairs Malaysia is very concerned about traditional retailers. So, do read the write-up to see what he has to say to you.

In spite of our progress and successes along the way, we cannot rest on our laurels. We will keep improving the magazine to better serve your needs. As it is, this issue sees us presenting more category insights (specifically, on Cooking Oil, Beer and Toothpaste). We also welcome aboard Bank Negara Malaysia as our collaborator in the Wang Runcit section.

More improvements are under way. However, this being our year-end issue, I would like to take this opportunity to thank all our partners who have helped us bring Runcit Malaysia to this point. We can certainly look forward to their continued support and participation as they endeavour to engage the traditional trade in more B-2-B (business-to-business) activities – an area that is just beginning to grow and gain momentum.

Happy New Year!

WILLIAM KHOO
Executive Director
Infovantage Sdn Bhd
william.khoo@runcit.com.my
Consumers have become very aware of health and nutrition. This has spurred manufacturers to improve on the nutritional value of their products and, at times, even develop new and innovative types of food that never used to exist!

Look a little closer and you will notice that many of them are prepared and/or packaged to be conveniently consumed. This echoes a fact of life – that consumers today not only want good food, it has to be compatible with their busier-than-ever lifestyles.

The shift towards health and convenience are two powerful consumer trends that have significantly altered the food manufacturing and retail industries. Understanding them better will help you better cater to your consumers’ needs.

EATING FOR HEALTH

Mr Chen runs a mini-market in Temerloh. He certainly looks ‘prosperous’ and even has a pot belly to match – thanks to all the fatty food he loves. One morning, he woke up feeling not very well. His chest felt ‘heavy’ and he was a little breathless. Thinking it was just a sign of exhaustion from all the work lately, he put the matter out of his mind and proceeded to open his mini-market for business. Two hours later, he was seized by a sudden sharp pain in the chest, collapsed and had to be rushed to the hospital. Chen had a massive heart attack.

That morning was equally fateful for Puan Maimun in Kuala Lumpur. She was getting ready for work when she heard her maid frantically calling out “Tuan! Tuan!” Maimun rushed downstairs, only to find Khairy, her father, slumped in his chair at the breakfast table. His eyes were open but the left side of his face was contorted out of shape. He tried to say something but slurried so badly that Maimun could not understand a word. Khairy suffered from diabetes which had now caused him to have a stroke. He passed away on the way to the hospital.

Did you know that a large portion of the Malaysian public is not very healthy? As our economy improved since the 1960s, our lifestyles began to change. Many of us developed a taste for rich food and most of us hardly get enough exercise.

As a result, our nation started to show high rates of obesity and related health problems, like high levels of cholesterol and glucose in the blood, and high blood pressure (please see table). These conditions contribute to heart attack, diabetes and stroke, respectively.
HEALTH WATCH MALAYSIA

<table>
<thead>
<tr>
<th>Condition</th>
<th>Estimated prevalence</th>
<th>Contributes to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excessive body weight</td>
<td>27%*</td>
<td>Heart attack, stroke, diabetes, cancer</td>
</tr>
<tr>
<td>High blood pressure</td>
<td>30%*</td>
<td>Stroke</td>
</tr>
<tr>
<td>High blood cholesterol</td>
<td>51-75%**</td>
<td>Heart attack</td>
</tr>
<tr>
<td>High blood glucose</td>
<td>16%***</td>
<td>Diabetes</td>
</tr>
</tbody>
</table>

Sources:
* National Health & Morbidity Survey 1996, Ministry of Health Malaysia
** The Heart Foundation of Malaysia
*** National Diabetes Institute

In order to address these growing problems, the Government launched the Healthy Lifestyle Campaign in 1996. The campaign focussed a lot on educating consumers about diet and nutrition. Before too long, non-government organisations and even food companies started rallying to the government's side in encouraging consumers to eat healthily.

HEALTHY FOOD

A healthy trend thus began. Today, many consumers have re-discovered the taste for fresh food (see boxed article). They are also preferring less oily, sweet and salty food – something which you might already be experiencing from the general decline of traditional Chinese New Year delicacies, like sausages and waxed duck.

FRESH BENEFITS

Supermarkets and hypermarkets have fresh food sections because it never fails to pull in the crowd. Yet, most traditional retailers have opted not to sell fresh food in their shops. Yes, it might be inconvenient, troublesome to manage and even messy, perhaps. But here are some advantages of having your own fresh food section to consider, in case you wish to re-think this prospect.

- It makes consumers come to your shop more frequently where they are likely to also buy other products as well.
- You can generate additional income from selling the fresh foods.
- It will give you the opportunity to offer foods that complement fresh foods, namely cooking ingredients, like dried prawns and spices.
- With all these extra services available from you, consumers your neighbourhood will have less need to shop elsewhere.

At the same time, consumers are also insisting on foods with higher nutritional value. Some manufacturers are now offering varieties of naturally nutritious products (eg brown rice which is high in fibre, vitamins and minerals) and wholegrain cereal products.

Others have made the effort to enrich or fortify their products with additional goodness. Take milk, for example. Children today have milk for practically every birthday – 1,2,3 and 4,5,6! Adults have their versions, too, with milk to stay trim, reduce cholesterol and build strong bones.

Some very innovative products are also being developed using very high-tech processes, eg adding beneficial bacteria (called probiotics) into cultured milk, yoghurt and other milk-based products ... and sometimes, ensuring that the micro-organisms come with their food supply (called prebiotics). Science is, indeed, being put to very good use – even to the extent of coming up with specialised foods for people with various health problems!
UNDERSTANDING COMMON NUTRIENT CLAIMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Requirement of the Amendments to the Food Act 1985</th>
<th>Commonly applied to:</th>
<th>Commonly found in:</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Low”</td>
<td>Contains less than the maximum limit for a particular nutrient.</td>
<td>• Fat</td>
<td>• Milk</td>
<td>• Nestlé Low-Fat UHT Milk</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sugar</td>
<td>• Cereal bar</td>
<td>• Nesvita cereal bar</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Salt (sodium)</td>
<td>• Biscuits</td>
<td>• Jacob’s Cream Crackers</td>
</tr>
<tr>
<td>“High”</td>
<td>Contains more than minimum limit for a particular nutrient.</td>
<td>• Fibre</td>
<td>• Bread</td>
<td>• Gardenia</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Calcium</td>
<td>• Milk</td>
<td>• MARIGOLD HL Milk</td>
</tr>
<tr>
<td>“Source of”</td>
<td>Contains an acceptable amount of a particular nutrient.</td>
<td>• Protein</td>
<td>• Instant noodles</td>
<td>• Maggi Xtra Delicios</td>
</tr>
<tr>
<td>“Free” or “No”</td>
<td>Does not contain any significant amount of a particular nutrient or substance.</td>
<td>• Sugar</td>
<td>• Pastilles</td>
<td>• Fisherman’s Friend</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Preservatives</td>
<td>• UHT liquid products</td>
<td>• MARIGOLD Asian Packet Drinks</td>
</tr>
<tr>
<td>“Enriched with”</td>
<td>Where a nutrient is added where it did not previously exist.</td>
<td>• Vitamins, minerals</td>
<td>• Breakfast cereals</td>
<td>• Nestlé Trim</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Fatty acids (eg DHA, AA, ARA)</td>
<td>• Children’s milk</td>
<td>• Dumex Dugro</td>
</tr>
<tr>
<td>“Fortified with”</td>
<td>Where a nutrient is replaced after it has been destroyed by processing.</td>
<td>• Vitamins &amp; minerals</td>
<td>• Beverages</td>
<td>• MILO</td>
</tr>
</tbody>
</table>

SAFE FOOD

Consumers’ demands have not stopped there. They are also enquiring into the safety of food, whether it’s grown or manufactured.

The media have been faithfully highlighting cases involving the sale of meat from livestock injected or fed with hormones to induce faster growth. Genetic modifications of foods (especially plants whose genes have been altered to increase their yield and resistance to pests) have received similar attention. So too has the use of pesticides. All these just go to show that consumers’ concern with food safety extends even to the source of the food they consume.

When it comes to food additives, consumers depend a lot on the government to ensure that manufacturers use only permitted types in the right amounts and in the right foods. Additives are substances added in small quantities into food to maintain its quality, texture, appearance, odour, taste, alkalinity or acidity.

Food additives are tightly regulated. The Food Act 1985 has a long list of additives that are prohibited from use because of their potential to cause harm. As new additives are developed, they need to be approved by the Ministry of Health before they can be used. All additives used in a product must be indicated on the label of the packaging.

Flavouring and colouring can be either synthetic or derived from plants. They are additives and controlled as such. In some cases, like artificial sweeteners, certain types of flavouring may not be allowed in Malaysia even though they may be approved for use elsewhere. For certain foods, the law strictly stipulates that they must not contain any additives whatsoever. It is an offence, for example, to put colouring in tea.

Preservatives are additives that are added to food to prevent it from decomposing, fermenting or becoming acidic. It does not include herbs, spices, vinegar or wood smoke. The law on preservatives is stringent, as attested by the government’s action on manufacturers of yellow noodles (mee) over their use of boric acid.
In spite of the government’s regulations, consumers themselves are clearly signalling their preference for having less or no additives in their food and drinks. This demand have been well met by specialised technology suppliers, like Tetra Pak. Liquid products that use the company’s aseptic processing and packaging technology require no preservatives while being able to retain their intrinsic nutrients and flavour.

As consumers become more educated, exposed and aware, their emphasis on nutrition and food safety will only increase. Except for foods that are eaten purely for pleasure, healthfulness is the general standard that will increasingly determine most food brands of choice.

SAFETY STANDARDS

ISO 22000. This is an international standard designed to ensure safe food supply chains worldwide. It is awarded solely by the UK Accredited Services (UKAS), through World Certification Services Ltd (WCS). BOH Plantations Sdn Bhd is the first tea company in the world to be awarded the ISO 22000 certification. BOH is one of six manufacturers in both Malaysia and Singapore to obtain this certification.

HACCP. The International Hazard Analysis and Critical Control Point (HACCP) Alliance was developed as a food safety assurance measure. It is a scientific and systematic method that identifies specific hazards and measures for ensuring food safety. The application of HACCP assures consumers of confidence in food safety and protection.

MAKING GOOD FOOD BETTER

COOKING OIL & MARGARINE

Cooking oil in Malaysia includes palm oil (refined or blended), red palm oil, and a variety of soft oils (such as corn, soya, canola and olive). Latest research confirms that palm oil does NOT raise blood cholesterol in normal people. Red palm oil LOWERS cholesterol and is one of nature’s richest sources of natural anti-oxidants, called carotenes. Soft oils are also able to LOWER cholesterol. Sometimes, oils are hardened through hydrogenation (adding hydrogen atoms) to make margarine. This process creates unhealthy substances, called trans fatty acids, that can RAISE cholesterol. For more in-depth information, please see this issue’s Kategori Runcit focus on cooking oils.
ORAL NUTRITIONAL SUPPLEMENTS

Gone are the days when milk was milk. Even though this liquid food is already very nutritious, food scientists have found ways to further improve upon it. They have since come out with milk-based oral nutritional supplements with specialized functions. By having various nutrients added, subtracted and/or replaced, these supplements are now able to cater to people with various health problems. Different formula are available for children who are not growing well due to poor eating habits, adults whose appetites are affected by illness or recovering from surgery, elderly people and even cancer patients undergoing treatment. Typically, these formula provide as much energy and nutrients as a typical meal; this is why they are sometimes called meal-replacement formula.

SNACK FOODS

Consumers’ shift towards healthier food has spurred the growth of nutritious snack foods, like cereal-based muesli, granola and energy bars. The trend has also inspired some manufacturers to look for ways to improve their existing products. Hence, they are now able to offer biscuits without preservatives, confectionaries without sugar, low-salt and vitamin enriched chips, and so on. Even ice cream has moved in this direction with the recent introduction of high-calcium ice cream wafers.

WATER

The concept of drinking water has evolved far beyond tap water which we boiled to drink. Though our water is treated, the rusty pipelines through which it flows sometimes causes the water to appear brownish, causing concern as to its quality. In order to address this rising concern among consumers and tap into a potentially lucrative market, enterprising manufacturers started selling bottled water which became a hot commodity among consumers. Today purified, distilled, flavoured, oxygenated and mineral water are a staple on retail shelves.

FRUIT JUICES

Just 30 or 40 years ago, fruit juices were considered a premium product. Less affluent consumers had to settle for fruit-flavoured cordials. Nowadays, fruit juices have become a common drink. Most are pure fruit juices (some retaining their original pulp and fibre for a nicer mouth-feel and better nutritional quality). Whereas some have added sugar, more brands are starting to offer the no-added sugar variety. Some manufacturers have successfully created a new sub-category of juices by mixing fruit juice with milk! The concoction is practically loaded with vitamins and minerals! The all-time favourite flavours are there – orange, apple, mango, guava and so on. For the more adventurous consumers, there are interesting blends, like orange-peach, carrot-mixed fruits, blackcurrant-cranberry-aloe vera, and so on.

CALLING FOR CONVENIENCE

In today’s food industry, the manufacturer whose product can be consumed conveniently is more likely to stay in the competition. After all, consumers are now so busy that they demand quick solutions to their needs. Here’s a quick look at how manufacturers have managed to stay ahead of their bustling consumers.

PACKAGING

Packaging plays a number of vital roles. It contains and protects the product. It is a medium to project the brand and attract the consumers’ eye. More than that, packaging must now also deliver convenience. For most eat/drink-on-the-run products, the packaging must be lightweight, portable, easy to open and dispose. The demand for these characteristics has spurred the development of highly innovating plastic and paper formats. Beyond this, some manufacturers have even begun looking into new forms to improve handling aspects, like packaging dimensions and grip.
LINE EXTENSIONS

Ready-to-Eat
Many packaged food products on the shelves can be consumed right away without further preparation or cooking. However, manufacturers are now trying to make full use of this advantage so that consumers find them convenient at just about any time in the day. This naturally led to the repackaging of biscuits and cereals in snack packs. Now, however, we are seeing freshly cooked or prepared food (like nasi lemak, salads and sandwiches) in meal packs, too. Although not all of these food products may be feasible in a provision store setting, it does highlight the point that consumers are increasingly turning to ready-to-eat foods to keep them nourished through the day.

Ready-to-Drink
What does coffee powder, milk powder, cordial and fruit juice concentrate have in common? You need to add water before they can be consumed. Seems easy, right? Well, consumers don't always agree. Due to their hectic lifestyles, they often do not have the time or the facilities to “just add water and stir”. What they would prefer is to “shake, open and drink”. Many drinks manufacturers have catered to this need to great success!

Instant Meals & Drinks
There are, of course, times when consumers don’t mind adding hot water for an instant hot meal or drink. After all, this is much quicker and more convenient than leaving their homes or offices for a satisfying meal or drink. The more popular examples being cup noodles and pre-mixed drinks in sachets.

Ready-to-Cook
As most homemakers also work outside these days, they have less time to spend in the kitchen preparing meals for their families. However, the availability of marinated meats, seasoning products, and cooking mixes have enabled them to prepare home cooked nutritious meals for their families in a shorter time.

PRODUCT INNOVATIONS

Hybrid products
As new products are constantly being introduced into the market, manufacturers have to find ways and means to offer new and novel offerings to gain the interest of consumers. This resulted in hybrid products. *Nata de coco* being a popular example. This chewy jelly like food product is produced by bacterial fermentation of coconut water and is high in fiber with no added preservatives. A popular dessert, it can be found in supermarkets in fruit flavoured jelly cups and canned fruits.

Herbs
As consumers are becoming more aware of the health properties of herbs such as Ginseng and Tongkat Ali, manufacturers are adding it into their products to offer higher value to consumers who believe these herbs will improve their health. Thus, Ginseng, previously obtainable only in Chinese medicine halls, can now be found in beverages such as coffee and tea.

Asian flavours
To cater to the taste buds of their Asian consumers, many manufacturers are enhancing their products with localised flavours like Tom Yam, Curry, Tandoori and even exotic tastes, like Salmon Teriyaki.
### COMMON LIQUID FOOD PROCESSES

<table>
<thead>
<tr>
<th>Process</th>
<th>Definition</th>
<th>Benefit</th>
<th>Food categories</th>
<th>Brands by name</th>
</tr>
</thead>
</table>
| UHT (Ultra High Temperature) | Partial sterilization of food by heating it at a very high temperature for a few seconds and cooling it quickly thereafter. | • Longer shelf life  
• No need for refrigeration  
• No preservatives required. | • Milk  
• Yogurt  
• Fruit juices | • Dutch Lady UHT Milk  
• Drinho Asian packet drinks.  
• MARIGOLD fruit drink |
| Pasteurisation           | Process of heating food to kill harmful micro-organisms before packing.      | • Stays fresh with refrigeration             | • Milk  
• Fruit juices | • MARIGOLD Peel Fresh  
• MARIGOLD HL Milk |

### ADVICE FROM RUNCIT MALAYSIA

1. Stay informed about health because your shoppers are doing it, too.
2. Understand the health benefits of the products you sell so that you will know what to recommend.
3. Maintain a ‘healthy’ store environment. Health-conscious shoppers are not likely to come to a dirty shop. Dress yourself and your staff in clean, neat clothes.
4. Handle fresh food hygienically. Wear gloves, if appropriate.
5. Display and merchandise convenience food products in such a way that shoppers can just pick, pay and consume.
6. If possible, mount in-store promotions in conjunction with various health day celebrations as announced by the newspapers.

Stephen Tan & Jothi Jeyasingam – Runcit Malaysia
Perspektif Runcit

Keeping your Shoppers Happy

Deputy Domestic Trade and Consumer Affairs Minister YB Dato’ S Veerasingam believes that good and personalized customer service is the traditional trade’s secret when taking on supermarkets, hypermarkets and the like.

MOST OF you would know YB Dato’ S Veerasingam as the VIP who launched the Runcit Malaysia programme in March 2006. But when you spend time with the man, you will find that he has the best interest of the traditional trade at heart first and foremost.

Not only does he personally shop at his neighbourhood kedai runcit, but also frequently visits provision shops, mini-markets and Chinese medical halls all over the country. This is how he has become very familiar with the challenges that the trade is facing, not just from the government’s broad standpoint but also at the retail level. Besides this, he also knows all the sly tactics, eg, false price tags and hoarding, that certain unethical retailers use and is determined to put a stop to these bad practices.

One morning, we found ourselves in a discussion with Dato’ on the traditional trade’s repeated complaint that it is extremely difficult for it to compete with the supermarkets and hypermarkets. In response, he says that the government has placed limits on the growth of the modern trade, but the retailers themselves must play their part to survive by offering consumers what they need, coupled with value-for-money and excellent customer service.

‘We are very careful in giving approvals for establishing hypermarkets. Every hypermarket must conduct an “impact study” on how it would affect the traditional trade in that area before it can obtain a licence to open a new outlet.

‘For rural areas, in particular, we will also consider the population size and whether the existing traditional trade outlets in the area need to be complemented by a hypermarket.’

He adds ‘The traditional trade has many natural opportunities to attract and retain its customers, like knowing their shoppers by name, building good rapport with them and even providing helpful services, eg, delivering the goods to their homes. These can make a huge difference to their business.’

He cites the provision shop where he lives as an example. ‘It is well-stocked and can cater to our daily needs. Furthermore, the owner is very friendly and gives us personal attention. He knows the neighbourhood residents by name and often asks about their families. He makes us feel happy to shop in his establishment. This kind of treatment cannot be found in supermarkets or hypermarkets, where nobody bothers who you are and the atmosphere is impersonal.’

Dato’ says another advantage of the traditional trade is its operating hours. These outlets get a headstart when it comes to operating hours compared with their modern trade counterparts. ‘Neighbourhood shops can stay open from 8.00 am to 11.00 pm. On the other hand, the modern trade tends to open later, at about 10.00 am and close earlier at 10.00 pm.

‘The longer operating hours make it easier for consumers to shop with them. Look at the convenience stores; they charge higher prices but are able to make profits due to longer operating hours. Understandably, operating 24 hours a day might not be feasible for you, but keeping your shop open until late would attract consumers who come in late.'
‘The government does not allow supermarkets to operate 24 hours so as to ensure that the neighbourhood shops can be there for the people early in the morning and late at night. The big question is whether you can give your shoppers a reason to stop by on their way to work and back,’ he probes.

According to Dato’ Veerasingam, there is much that traditional retailers can do to improve and sustain their business. The key is to keep customers happy. He advises: ‘If shoppers are dissatisfied with you, those who have cars will drive out to the nearest modern trade outlet. You will become the loser.

‘Make sure what you sell is of good quality and at a reasonable price, and I am sure you will do very well.’

BUSINESS TIPS FROM DATO’ VEERASINGAM

- **Ensure your shop has a clean and tidy layout**
  A small, cramped and dirty shop is a big turn-off for consumers. The main reason for a lack of space is bad inventory control and ordering too many slow-moving products. So, only order items as required and concentrate more on fast-moving products.

- **Pack your own goods**
  Pack loose items like onions and potatoes in small packs with a price tag like how the modern trade does. Also, offer consumers the option of buying these items in loose quantities.

- **Computerise your outlet**
  We are in the modern age so use technology to your advantage. Get a barcode reader system, as it will increase the efficiency of your retail operation in terms of inventory control. Those of you who operate in urban centers could create a simple website that states your product offerings and an email address for consumers to mail in their shopping lists.
‘Success Comes to Those Who are Willing to Work for it ...’

Says Dato’ Kong Hong Meng, the Managing Director of Lein Hing Holdings Bhd, who rose from humble beginnings to become the chieftain of the largest distributor in the country.

WHEN Dato’ Kong Hong Meng first formed Lein Hing Enterprise Sdn Bhd in 1977, his immediate aim was to earn a stable income to support his family. Never did he imagine that the Lein Hing Group (LHG) would one day become the biggest distributor in the country.

In an interview with Runcit Malaysia Magazine (RMM) at his office in Bukit Maluri, the ever-humble Kong shares his remarkable story of how sheer grit and determination, coupled with a zeal to succeed, enabled a poor boy from Kuala Lipis, Pahang, to achieve the pinnacle of success.

'I come from a poor family, my father used to be a rubber tapper. During my younger days, I even helped him out at the rubber estate,' says Dato’ Kong.

Upon completion of his secondary education, he came to Kuala Lumpur in 1970 and started off as a store supervisor with a fast-moving consumer goods (FMCG) wholesaler. ‘That was when I became interested in setting up my own business after I realised that there was tremendous potential in the FMCG wholesale sector,’ he says.

Seven years later, the aspiring businessman made his dream a reality when he formed Lein Hing Enterprise Sdn Bhd at the relatively young age of 24. ‘I chose this name because in Mandarin, lein means “united” and hing means “prosperous”,’ he explains.

It has proven to be an apt name indeed, for the success of LHG could not have been achieved without the hard work, support and dedication of his wife, siblings, and sisters-in-law who helped him out during the initial years. Today, LHG is still very much a family-oriented business, with Dato’ Kong’s wife playing a crucial role in the company as financial controller. ‘She is careful as to how the money is spent, thus helping a lot in terms of ensuring a smooth cash flow. Besides, she also plays a crucial role as my business advisor,’ says Dato’ Kong.

Dato’ Kong met his wife while working at his former company. The couple married in 1981 and their only child - a daughter - was born in 1984. She is currently pursuing a double degree in Business Administration and Marketing in Melbourne, Australia.

‘In terms of succession, I hope my daughter will take over the helm from me some day. However, I hope to start engaging professionals to help run the business as part of my expansion plan in the future,’ he explains. Besides an auspicious name and the firm support of his family, what else has contributed to the phenomenal success of LHG? ‘It’s our business ethics and attitude which have enabled us to gain the trust and confidence of the retail trade,’ comes the answer.

Dato’ Kong says that in all its dealings with the retailers, LHG practises a two-way communication concept. ‘Our customers can freely contact LHG’s directors, management team, supervisors or any other personnel to voice their requirements or offer suggestions.

‘At LHG, we strongly believe in transparency, sincerity and trust when dealing with our customers – the retailers -- for we are in the same boat,’ he stresses.

Not one to rest on his laurels, Dato’ Kong is ever keen on expanding. At present, a three-storey office-cum-85,000-square feet warehouse is in the midst of being constructed. It will house LHG’s expanding business operations once completed.

Speaking of expansion, Dato’ Kong says the company would love to explore the possibilities of expanding into new distribution channels, namely, convenient stores and petrol marts.
As for LHG’s performance in 2006, Dato’ Kong is optimistic that the company will surpass the half-a-billion-ringgit mark. For the record, financial turnover last year was RM420 million.

We at RMM would like to wish Dato’ Kong the very best in his future endeavours!

**DATO’ KONG’S SUCCESS SECRETS**

**Managing inventory**
If you have a cash-flow problem, seek the co-operation of your wholesaler to split the order of the month and separate it into different deliveries within the month.

**Creating the ideal shopping environment**
Offer your consumers a comfortable and enjoyable shopping experience by keeping your shop clean and practicing good merchandising.

“Service with a Smile”
Be warm and friendly when attending to your consumers. When you put them at ease, they will keep coming back to you.

**Going IT**
Invest in computers as this will help you become more efficient in terms of identifying marketable and fast-moving products that generate income.

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**LEIN HING Fact File**

- Established: 1977 as a wholesaler of sundry goods
- Staff strength: 450
- Major corporate milestones:
  - 1985: Became a private limited company and obtained its first distributorship.
  - 2001: Became the first local distributor to cover both Kuala Lumpur and Selangor.
  - 2003: Set up its nationwide distribution network, through the collaboration with a team of Strategic Partners located in the other States.
  - Chosen as the Number One preferred supplier in an AC Nielsen survey.
- Brands distributed:
  - P&G, Philip Morris, Sara Lee, Dumex, Danone, Texchem, Reckitt Benckiser, Abbot Laboratory, Disposable Soft Goods and Mu’min Halal Toothpaste.
- Distribution channel:
  - Sundry shops, Chinese medical halls, modern trade outlets, wholesalers, restaurants.
- Contact information:
  - Tel: 03-6272 7828
  - Fax: 03-6275 1828

Jothi Jeyasingam – *Runcit Malaysia Magazine*
After rolling out six issues of Runcit Malaysia, we conducted a massive survey of traditional retailers in Peninsular Malaysia to find out whether they liked our magazine and found it beneficial. Judging by the results below (based on 1,920 respondents), we have every reason to feel even more confident that Runcit Malaysia is able to play an important role in the country’s grocery retail industry and in your business!

1) How many issues of RMM have you received so far?

- 5 Issues: 47%
- 6 Issues: 17%
- 3 - 4 Issues: 16%
- 1 - 2 Issues: 20%

2) How many issues have you read?

- All of them: 37%
- Some of them: 56%
- None of them: 7%

3) How many articles do you normally read?

- All the articles: 55%
- Some of the articles: 45%

4) How do you feel about the magazine?

- Easy to read: 90%
- Covers issues relevant to my business: 84%
- Given good business ideas: 83%
- I like the charts: 79%
- I like the drawings: 78%
- I like the photographs: 78%

5) How has the magazine affected you?

- Put the tips and advice into practice: 53% (Very much), 47% (To some extent), 0% (Not at all)
- Improved my business knowledge: 51% (Very much), 49% (To some extent), 0% (Not at all)
- Manage my business better: 43% (Very much), 57% (To some extent), 0% (Not at all)
- Begun modernising my business: 40% (Very much), 60% (To some extent), 0% (Not at all)

6) How do you feel about the articles/subjects covered by our magazine?

- Very much: 39% GSK, 29% LCB, 24% OLA, 22% Sibereja, 21% Kedai Panas Pelita, 20% Kedai Panas Pelita
- Like: 38% LCB, 37% OLA, 35% Sibereja, 34% Kedai Panas Pelita, 33% Kedai Panas Pelita
- No opinion: 29% LCB, 30% OLA, 35% Sibereja, 34% Kedai Panas Pelita, 33% Kedai Panas Pelita
- Don't like: 18% LCB, 21% OLA, 22% Sibereja, 24% Kedai Panas Pelita, 22% Kedai Panas Pelita
We at Runcit Malaysia are proud to be of service. We welcome your continuous feedback, suggestions on interesting topics to cover, and even questions about problems you might be facing in managing your shop. The Cakap-cakap Runcit and Halaman Pak Runcit sections are dedicated to this purpose. You can reach us through your friendly Runcit Media Field Supervisor or by calling Ms Chua Soah Sen at Tel: 03-7957 1718. We look forward to hearing from you!

Source: Survey conducted by Runcit Media Sdn Bhd (August 14 – October 29, 2006)

Jothi Jeyasingam – Runcit Malaysia
8 Tips for Minimising Stock Returns

Wise choices, good sales practices and treating goods with care will help you minimise the need for stock returns.

While it is your right to return any damaged stocks, it is also your responsibility as a retailer to keep this down to a minimum. After all, stock returns due to overstocking, poor sales promotion or poor handling on your part can cause a lot of unhappiness among suppliers and manufacturers. When you return stocks to them, they’ll lose out in terms of sales. If they need to re-condition or re-package the stocks so that they may be sold elsewhere, they will incur additional operational costs. Here are 8 tips to help you minimise stock returns.

1. **Buy the right quantity.** Don’t over-order. This means you need to know which products sell well and which don’t. This is tricky when selling new products. So it’s best to buy new products in small, trial quantities for at least three months. Also, keep minimum stocks for slow-moving products.

2. **Check expiry dates.** Once the stocks have arrived, take note of their expiry dates. Keep proper records of this information and make sure you practise the First-In-First-Out (FIFO) system where you sell products that arrived earlier first. Train your workers to use this system when replenishing stocks on the shelves.

3. **Handle products with care.** Instruct your workers to be extra careful when loading and unloading goods. If you provide home delivery service, make sure the transporters understand this well.

4. **Store stocks properly.** Make sure that products put in the display area as well as the storeroom are kept in the right way. Avoid stocking perishable goods if you don’t have the right facilities or equipment.
5. **Adopt an effective pricing strategy.** Set your product prices clearly. The best guide is the recommended selling price from your supplier. Avoid selling at prices that are too high as shoppers will hesitate from buying. Also, make sure your price tags are visible and do not block brand names and expiry dates.

6. **Promote products effectively.** Practise good display and merchandising principles to help drive better sales. This includes arranging your shelves well, placing fast off-take products at eye level, and organising special promotions.

7. **Practise good inventory control.** You must know the exact stock situation in the shop. You must know what is moving fast, what is moving slowly and what is expiring soon. If your storeroom is not in the shop, make sure you visit it regularly wherever it is to have updated stock information.

8. **Give suppliers early notice.** If a particular product is extremely hard to sell, ask for your supplier’s help while the goods are still in good conditions. Don’t wait until the products are almost expired to call your supplier. This will reflect badly on you and you may be blacklisted by the supplier in the future.

**NO-STOCK-RETURN ALLOWED**

Did you know that in most developed countries stock returns are no longer allowed? Retailers are now responsible for the stocks they buy and no returns will be entertained, unless there is a manufacturing defect, a total recall of the product by the manufacturer, a sudden change in the formulation, or a change in the Government’s legislation. While stock returns are still very much part of the retail industry in Malaysia, we should start working towards a no-stock-return-allowed policy to save costs as well as reduce manpower and transportation expenses.

Chow Nyuk Loong & Adeline Wong – Runcit Malaysia
Photographing your shop will help you see it through the eyes of your shoppers. You might be in for a surprise!

Have you ever wondered how shoppers see your shop? You may think it looks great but they might not find anything outstanding about it. This should come as no surprise because we, being human, often see what we want to see, rather than what really is there.

It's really important to ensure that your shop looks attractive and inviting to shoppers. Only then will they notice it and feel the urge to patronise your establishment.

It would help a lot if you could see your shop through another set of eyes. So, here’s a simple, yet effective, idea -- take photos! It will help you see what an ordinary shopper sees when she’s both outside and inside it.

**PHOTO TIPS**

**Step 1: Photograph your shop front.** Do this from as many directions as you can – from the left and right, from across the road and from your car as you drive by. Do include shots of the neighbouring shops – surely you’d like to compare yours with theirs.

**Step 2: Photograph your shop interiors.** Take photos as you walk the usual route that your shoppers take – approaching your shop front, entering the entrance, moving to the back of your shop, walking the aisles, getting to your cashier counter, and finally making an exit. Don’t miss out on your display areas, shelves and point-of-purchase (POP) media.
Step 3: Review your photos. Mount them on the wall or on boards. Make sure that they overlap so that you get a ‘big picture’ of your shop. Take a deep breath and get ready for what your pictures will tell you.

Pictures Don’t Lie

- **Shopfront.** Can you see your shop name or it is blocked by clutter? Does your shop front look clean, tidy and inviting? Compare your shop and the neighbouring ones – whose looks better?

- **Window/entrance.** If you have a window, can shoppers look right in? Will they see a tidy, bright and inviting environment?

- **Inside your shop.** Are your product categories or sections well-organised? Are your shelves neatly stacked, with best-selling items deliberately placed at eye level? Are your promotions well-situated and eye-catching? Are shoppers attracted to also go to the back of the shop and not just stay at the front?

- **Point-of-Purchase (POP) media.** Do you have sufficient signages (eg C-Signs), shelf-talkers (eg Shelf-E), counter-top (eg C-Top), posters, buntings and other POP media? Do they look clean, clear and professional? Or are they old, faded or damaged?

- **Cashier counter.** Is it tidy, neat and spacious enough for shoppers to place the products they wish to pay for? Are your cashiers smiling? Do you have space to display goods, like batteries or sweets, that shoppers might want to buy on impulse?

Remember, pictures don’t lie. So, if you spot any areas for improvement, go ahead and make them happen. Chances are you’ll be making your shop more appealing to shoppers.

Stephen Tan & Adeline Wong – Runcit Malaysia
Good management of Point-of-Purchase (POP) media will improve both your business and your relationship with suppliers.

In spite of all the advertising and public relations efforts that suppliers put into TV, radio, newspapers, magazines and even the internet, your shop could be their last battlefronts to influence consumers’ to pick their brands rather than something from a competitor.

This is a fact that even the prestigious In-store Marketing Institute of the US has admitted and suppliers can hardly deny. This is why many of these suppliers are vying with each other to ensure that their Point-of-Purchase (POP) materials can be prominently displayed at your shop.

As the country’s traditional retail trade media specialist, Runcit Media Sdn Bhd (RMSB) seeks to help you and your suppliers manage the use of POP materials. Chua Soah Sen, RMSB’s Sales Operations Manager explains: “Our role is to provide the necessary media (eg Retail Advertising Panels or RAP, C-Signs, Shelf-E, C-Top and so on). We also secure the advertisers and put the media to work in your shop. With our expertise, we aim to improve business for you and the advertisers.”

On your part, you too have a role to play. Raymond Khoo, RMSB’s National Field Service Manager advises retailers to also exercise care not to undermine the POP materials through careless treatment. Here are some of the tips he has to share.

1. **Honour your commitment.** If you’ve already agreed to allocate a particular position for POP, keep your promise.
2. **Protect the advertiser’s rights.** Avoid putting a competitor’s POP materials right beside, below or above the advertiser’s POP.
3. **Apply discipline and control.** Don’t let any salesman randomly paste any posters he has over existing POP materials and especially over your window (why block the view?)!
4. **Take care of POP materials.** Make sure your POS materials are clean, dust-free and well-lit.
5. **Keep POP looking new and good.** Inform your RMSB Field Supervisor or the relevant salesmen if any POP need repair or replacing.
6. **Discard outdated materials.** Replace outdated POS materials with new ones.

If you need assistance and further advice on how to manage POP materials, contact the following personnel:

- Raymond Khoo (National Field Manager) : 019-266 5615
- Chua Soah Sen (Sales Operation Manager) : 03-7957 1718
- Thong Kang Hee (Operations Executive) : 019-359 2128
- Eric Low (Operations Executive) : 019-357 4304
HOW ARE THE BRANDS FARING IN YOUR SHOP?

The traditional trade is the lifeline for many food and non-food brands. So, while our Clients (the brandowners) are able to keep track of their sales, they always welcome more information, data and insights about their brands’ performance and challenges in the provision stores, mini-markets and Chinese medical halls out there. The knowledge gained is important because it can be used to develop even more effective strategies to enhance sales in shops, like yours.

As the country’s traditional retail trade media specialist that services a panel of more than 7,000 outlets nationwide, Runcit Media Sdn Bhd (RMSB) is able to bridge that information gap with our National Product Check and Runcit Bus. As cost-effective alternatives to most other market research exercises, these services reflect our commitment to help our Clients add value to their own and your business.

NATIONAL PRODUCT CHECK*

- The largest information-gathering exercise on traditional trade outlets.
- Involving up to 3,000 participating retailers.
- Checks on the availability of 44 product categories (3 to 28 brands per category) in the traditional trade.
- Activities include PDA-aided ‘Over-the-Counter’ Checks & ‘Face-to-Face’ Surveys with retailers (close-ended questions relating to specific Clients)
- Data gathered is consolidated, analysed and presented to the brandowners.

*R specifications based on most recent NPC conducted from August 14 to November 6, 2006.

RUNCIT BUS

- A small-scale information-gathering exercise on traditional trade outlets.
- Data collection tailor-made according to our Clients’ specifications (eg sample size, product category, areas/regions, etc)
- Provides valuable insights on account penetration, sales performance, pricing, competitor information.

The National Product Check and Runcit Bus benefit suppliers and retailers, alike. To all who have participated in these initiatives to date, THANK YOU!
THE BASICS OF OPERATING A CURRENT ACCOUNT

In all retail businesses, cash transactions are the norm. However it would be rather inconvenient to pay your suppliers and distributors with cash, notwithstanding how unsafe it is to carry such large amounts of cash on you. The solution of course is to open a current account that will enable you to make payments by way of cheques.

Requirements to open a current account
1. You need an introducer. This is to enable the bank to obtain references on you. This person could be an existing bank customer or someone known to the bank.
2. Your original identity card or driving license to verify your identity.
3. Put in an initial deposit as specified by the bank.
4. For business owners, ensure you are registered with the relevant authorities. All relevant company documents must also be presented.

[Note: The bank has the discretion to accept or decline your application to open an account. However in case of a refusal, the bank must inform you in writing and provide written instructions on how you may seek redress. i.e. via the banking institution’s complaint unit and the complaint unit at Bank Negara Malaysia.]

Types of current account
- Personal current account under your name.
- Joint current account operated by you jointly with others.
- For a business or company, the current account will be in the name of the business and operated by nominated signatory/signatories.

Signatories and changes of signatures
- When opening a current account, your bank will require your specimen signature. The bank will compare this signature on the cheque issued by you against this specimen signature.
[Note: If the signature is different, the bank will refuse to pay the cheque and return it on the grounds that the signature differs.]
- For current accounts operated by a business or company, specimen signatures of persons authorised to sign cheques and the extent of their authority must be provided to the bank.
- Changes in signatures must be notified immediately to the bank in writing.
- Stop payment instruction has been issued.
Stop payment instruction
Stop payment instructions can be given to your bank if your cheque has gone astray. Although you can instruct your bank by phone, you will have to confirm this instruction in writing. A fee will be charged for this service. However if you issue this instruction due to insufficient funds in your account, you can be charged a penalty.

Reasons for returned cheques
- Insufficient funds in your account to clear the cheque.
- Missing signature(s).
- Post-dated.
- Cheque that is dated more than six months ago.
- Amount in words and figures differ.
- Alteration on the cheque.
- Stop payment instruction has been given.
- Account closed or “legally blocked”.

Keeping of records
- Your bank will give you a statement of accounts that will allow you to check your transactions.
- The statement will normally be for an earlier period and will not include any transaction that has taken place after the period referred to in the statement.
- You should therefore keep records of all deposits and withdrawals to calculate the current balance.

What is Bankinginfo?
BankingInfo is a one-stop information centre about money and banking. The objective of this initiative by Bank Negara Malaysia and the Association of Banks in Malaysia is to educate Malaysians to be better informed about banking products and services, as well as to be more aware of their rights and responsibilities with regards to these services and products.

This article is courtesy of BankingInfo. For more information please visit the website: www.bankinginfo.com.my

Jothi Jeyasingam – Runcit Malaysia
4 TIPS FOR INSURING YOUR OWN BUSINESSES

Selecting the right kind of insurance policy can be a difficult process for any entrepreneur retailer. However, choosing the right insurance policy and company to suit your business needs can make a significant difference should you ever have to make a claim.

Here are four simple steps that could help you to select the right policy and insurance company best fit your business and industry needs.

(1) Assess Your Insurance Needs
You should start by reviewing your business risks and insurance needs. A "good" insurance policy should be one that meets the consumer’s needs without providing more insurance than is required.

For many small businesses traditional retailers, the two largest exposures to loss or damage are the machinery or equipment, goods involved in business operations and the property. Either of these could cause potential loss of income or even disruption in business operations. Small business owners can consider insuring their risks under package policies that cover the major property and liability exposures as well as loss of income. A common package policy used by many small businesses is called the Business Owners Policy (BOP).

Armed with a complete understanding of your business insurance needs, you should then consider how you would like to interact with an insurance company.

(2) Insuring the Right Amount
In property insurance, the need for protection is usually based on the cost of either the acquisition cost or replacing the replacement value of a physical asset. This need can be calculated.

In cases of business income insurance or liability claims, estimates of potential losses are needed.

Below are some guidelines to help you determine the right amount for your property insurance:

- Insure first those exposures to loss most likely to cause the greatest amount of damage.
- Never risk a great loss (a high percentage of your losses) in exchange for a small gain (saving the insurance premium).

(3) Select a Good Insurance Company
Selecting an insurance company is just as important as choosing the right insurance policy, because the service delivered will have a direct impact on your business. Look for an insurance company with a good track record, timely claims service, and relatively stable premiums.

An insurance policy is a promise. Like all promises, it is worth no more than the word and the financial strength of the person or company making it. Therefore, the first priority in choosing an insurance company is to be sure that the company is strong financially.

You may be able to gauge the standing of a specific company from information gathered from insurance agents or advice of your insurance broker or from the experiences of other policyholders, i.e. satisfied customers. An insurance company should also be willing to listen to your insurance requirements and if necessary, “tailor” insurance covers to meet your needs.

Three Key Tips When Choosing An Insurance Company

1. Financial strength of the insurer
2. Fairness and promptness in processing claims
3. Ability and willingness to provide service before and after a loss
4. The company’s reputation for fairness and promptness in settling claims and its reputation for providing service
Three primary criteria should be considered when choosing an insurance company:

- Financial strength of the insurer;
- Fairness and promptness in processing claims;
- Ability and willingness to provide service before and after a loss.

You should also determine the company’s reputation for fairness and promptness in settling claims and its reputation for providing service.

(4) Selecting A Good Insurance Agent
The first consideration when selecting a good insurance agent is that he or she must be registered with PIAM before dealing or engaging in any general insurance business.

The General Insurance Agents Registration Regulations (GIARR) also regulates the agents, as every insurance agent who wishes to be registered will first have to obtain a Certificate of Proficiency in Insurance. Registered agents are then issued with an Agent’s Identification Card.

Apart from being easily accessible, the other pre-requisites of a good insurance agent include having:

- A good knowledge of the products and services offered by his principal, i.e. he insurance company that he represents.
- Strong ethics and the ability to put a client's interest first.
- Good communication skills so that the insured understands the needs the insurance fulfills, and the rights and duties created by the contract.

When in doubt, there is no harm in contacting and making some enquiries at the branch office or the head office of the insurance company that the agent says he represents.

Finally, once you have made your selection, be sure to ask the agent or the company’s representative what you can expect in terms of the billing and payment process, policy renewal, and the claim-filing process.

* This article was contributed by PIAM, the national trade association of licensed direct and reinsurance companies for general insurance in Malaysia. More information on PIAM can be obtained from its website: www.piam.org.my

For queries or complaints, please contact PIAM’s Complaints Action Bureau at:
3rd Floor, Wisma PIAM, 150, Jalan Tun Sambanthan, 50470 Kuala Lumpur.
Tel:03-2274 7395/9
Fax:03-2274 5910

This article is courtesy of Persatuan Insurans Am Malaysia (PIAM)
UNDERSTANDING CONSUMER NEEDS AND TENDENCIES

In this second installment of our series on Category Management, we focus on its second pillar, ie offering products that will fulfill consumer needs.

As a traditional retailer, your role is simple – to provide as much value as possible to your neighbourhood consumer. They frequent traditional retail outlets, like yours, because it is usually a short walk or drive away from their homes. This is pertinent because it means that you would be the first person they would turn to for their urgent needs – sugar, toothpaste or even small quantities of cooking ingredients. So as to be able to serve them better, ‘take stock’ of the following factors when deciding which product categories to emphasise in your shop.

- **Age.** If there are young families in the area, be sure to sell product categories that children need, eg milk, diapers, baby toiletries and other related necessities.

- **Race.** Especially when it comes to cooking ingredients, it is best to cater to the tastebuds. For example, if yours is a predominantly Chinese area, sell dried oysters, preserved vegetables and Chinese sauces. If the majority are Indians or Malays, you won’t go wrong with santan and curry powder mixes.

- **Income.** Always stock top brands but in the SKUs (pack sizes) that your consumers can afford. Find innovative ways to encourage sales by cross-merchandising, eg banding a fabric softener with every pack of laundry powder sold.

- **Culture & lifestyle.** What are the beliefs, tastes and opinions which might influence your shoppers’ buying patterns? Songkoks and prayer mats might do well in a Muslim community whereas joss sticks would be a convenient plus in a Chinese area. If there are many pet owners around, sell pet food.

- **Shopping habits.** Consumers who come with a shopping list are usually housewives who have pre-planned what they want to buy. They probably make frequent trips, and you would know what brands they favour. Consumers who do not have a shopping list are more prone to buying on impulse. So, stock your sweets, snacks and cold drinks in a convenient place that they will not miss, like near the cash register.

The key to your retail success lies in understanding your consumers and emphasizing the product categories (comprising the right brands in the right pack sizes and at the right prices) that suit their needs.

To help you better understand the different types of consumers that frequent your outlet, the following are profiles of ‘household shoppers’ in Malaysia based on a survey of shoppers purchasing behaviour by ACNielsen:

<table>
<thead>
<tr>
<th>Shopper Type:</th>
<th>Characteristics:</th>
</tr>
</thead>
</table>
| Practical Shoppers (49%) | - Unlikely to change their brand due to promotions and advertisements.  
                          - Have a high knowledge of prices in a store and spend less time browsing – they grab and go.  
                          - Convenient location is their prime criteria in selecting a regular place for grocery shopping. |
| Promo Addicts (25%) | - A bargain hunter who loves shopping.  
                          - Most likely to change stores due to promotions or advertisements.  
                          - Have a very high knowledge of prices in a store.  
                          - Adventurous consumers who are willing to try out new brands or products.  
                          - Convenient location is the most important factor for selecting a regular store. |
### Indulgers (19%)

- They love to shop.
- Likely to change their brand due to promotions or advertisements.
- Spend more time browsing for items compared to all other types of shoppers.
- Their awareness of prices for items are low, and are inclined to make impulse purchases.
- Convenient location is an important factor for selecting a regular store.

### Low Enjoyment Shoppers (7%)

- Shopping is a chore to them. They are the 'grab and go' type.
- Not inclined to check out new stores, and the majority of them would just go to the same store all the time.
- Least likely to change brands due to promotions and advertisements.
- Majority is generally unaware of pricing.
- Convenient location is the most important factor in choice of a regular store.

[Source: ACNielsen’s Shopper Trends 2005]

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**TRACKING WHAT YOURS SHOPPERS ARE BUYING**

Do you know what are the hottest selling items and their SKUs in your shop? If you don’t, isn’t it time your shop was equipped with bar code technology? By investing in bar code technology, you will have all the information you wish at your fingertips. This is possible with a scanner which is hooked up to your cash register. So now, you can ensure that there is adequate stock of your most popular items, which, in turn, will help you serve your consumers better.

Jothi Jeyasingam – Runcit Malaysia
UNDERSTANDING COOKING OILS

Before you decide to ‘throw prices’ of cooking oils, remember that they are not all the same.

Can you imagine what most cooked food would taste like if mankind had not discovered cooking oil? Well, thanks to nature and food science, we now have three main types of cooking oils available.

KNOW THE TYPES

1. **Refined palm oil**, also known as palm olein, is derived from the husk of the oil palm fruit. This type of oil makes up 95% of all the cooking oil consumed in Malaysia. Refined palm oil is considered a ‘balanced’ oil because it is equally composed of two types of fatty acids ie saturated (51%) and unsaturated (49%) fatty acids. This ‘balanced’ composition makes it very stable at high heats and thus ideal for deep frying. Whereas people used to think that palm olein raises cholesterol, scientists now agree that it does not have this effect in normal, healthy people.

2. **Blended oil**, as the name suggests, is a blend between palm oil and some other oils (eg peanut oil and sesame oil). The main purpose of blending these oils is to make palm oil (which is tasteless) more aromatic. Blended oils go very well with Chinese cuisine.

3. **Soft oils** are usually made from seeds of plants in temperate climates. They are higher in unsaturated fatty acids and therefore less stable at high heat. They are more suited to light frying. Popular monounsaturated soft oils include olive oil and canola oil. Popular polyunsaturated soft oils include corn oil, soya bean oil and sunflower oil.

**LEADING COOKING OIL BRANDS**

<table>
<thead>
<tr>
<th>By Type &amp; In Alphabetical Order</th>
<th>Refined Palm Oil</th>
<th>Blended Oil</th>
<th>Soft Oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avena</td>
<td>Knife</td>
<td>Mazola</td>
<td></td>
</tr>
<tr>
<td>Buruh</td>
<td>Neptune</td>
<td>Naturel</td>
<td></td>
</tr>
<tr>
<td>Saji</td>
<td>Red Eagle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seri Murni</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vesawit</td>
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</tbody>
</table>

Source: ACNielsen
Many Malaysian consumers are starting to understand the differences between the types of cooking oil. As such, manufacturers are noticing a trend where shoppers will buy a refined palm oil or blended oil as well as a soft oil for the home.

As a retailer, you should anticipate this trend to hit your neighbourhood sooner or later, if it hasn’t done so already. Maybe you can even suggest that your shoppers try it out! Instead of buying their usual oil from you, they will end up buying two!

Before promoting the sale of these oils, however, you need to realise that each of the three types above have different market values. Seeing that Malaysia is the world’s largest producer of palm olein, it’s no surprise that refined palm oil commands the lower price compared with blended and soft oils. Logically, blended oils should be sold at a higher price and soft oils (which are mostly imported) should be treated as a premium category.

It is safest to sell your oils at their respective recommended retail prices. If you need to offer a discount as part of your promotions, do so carefully or you will further spoil the market (like how some hypermarkets have done). It will be wasteful to recklessly slash the prices of blended or soft oils to the extent that they can compete with refined palm oil. Just ask yourself this: why sell lower when you can sell higher? Enough said.

Red Palm Oil is one of Malaysia’s top cooking oil exports. It is produced from palm olein using specialised technology that results in the distinctive red colour plus nutrient-packed goodness in every drop. Red palm oil is the richest natural source of certain anti-oxidants called carotenes (15 and 50 times more than carrots and tomatoes, respectively) which, as research shows, may effectively help prevent heart disease and cancer. Red palm oil is also very rich in highly potent palm-derived Vitamin E, called tocotrienols, that are believed to help slow down the ageing process. Red palm oil may stain certain foods (eg salads) but its colour can be used to enhance the appearance and flavour of many other local foods (eg curry).

Source: ACNielsen Retail Audit 2006

Stephen Tan & Adeline Wong – Runcit Malaysia
A collaboration with Lam Soon Edible Oils & Carotino Sdn Bhd
BEER CHEER

Here are some insights on how non-Muslim retailers can effectively sell beer

Can you imagine 1.3 million hectoliters of beer? Let’s make it simpler – how about 17 million cartons? Yes, that’s a lot of beer that’s being sold in Malaysia. Admittedly, this figure is lower than in some other countries but it is certainly enough for you to seriously consider profiting from this popular golden alcoholic drink.

As Michael Chin, Sales Director of Guinness Anchor Berhad (GAB), will tell you, the festive period is particularly important for beer sales and promotions. Why not? Consumers will be in the mood for cheer and celebration, and this signals more sales for astute retailers who have a good understanding of the category.

HOW ARE BEER AND STOUT DIFFERENT?

The malt liquor market consist of both beer and stout, however there are subtle differences between these two beverages as provided below:

<table>
<thead>
<tr>
<th>BEER</th>
<th>STOUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Made from yeast-fermented malt.</td>
<td>• Dark beer brewed with roasted malt or barley.</td>
</tr>
<tr>
<td>• Constitutes 80% of the ‘malt liquor’ market.</td>
<td>• Holds 20% of the ‘malt liquor’ market.</td>
</tr>
</tbody>
</table>

BEER & STOUT CLASSIFICATION (BY PRICE POINT)

<table>
<thead>
<tr>
<th>EXAMPLES FROM GAB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
</tr>
<tr>
<td>Mainstream</td>
</tr>
<tr>
<td>Value</td>
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</tbody>
</table>

Understanding Your Consumer

Chin stresses that, as a traditional retailer, you need to understand your beer drinking consumers in terms of why and when they would buy beer from your shop. They mostly visit your shop for ‘top up’ or ‘quick trip’ sundry purchases. It’s not very different with beer although social conditions do play a contributing role. For instance, a consumer who gets short notice that his friends are coming over to visit is likely to want beer in an instant. He is more likely to come to your shop than struggle to get to the nearest hypermarket. So, how can you cater to his need? “It’s not enough to just stock beer in your shop. If your consumer has people to entertain, he wants his beer already chilled! So, avoid disappointing him by always keeping beer in the refrigerator. Remember, beer not only tastes but also sells better when chilled,” Chin says.
Trade Up

Keep an eye on your the SKUs that your consumers frequently purchase. According to Chin, you should look out for opportunities to increase the purchase value of each sale by trading up. For example, if you notice that your consumers usually buy 4 cans, why don’t you suggest that they buy a 6-can cluster pack, instead?

Sell Well-promoted Brands

Excise duties on beer have been going up steadily over the last three years, except in the most recent National Budget 2007. This has caused the price of beer to rise. However, instead of foregoing or resorting to cheaper beer, most consumers are still very ready and willing to spend their money on leading brands.

Indeed, branding has the power to influence beer purchase. Chin says: “If a consumer is prepared to pay for his enjoyment, he would rather do so for a beer brand that he knows is able to deliver the quality, taste and satisfaction he expects.”

This is why beer companies invest heavily on communicating their brands in the market. All you need do is ensure that you have the beer brands that consumers are more likely to see, hear and favour. Reinforce their perceptions by displaying related point-of-purchase (In-POP) media, supported by good merchandising. With the Chinese New Year coming up in just a few months, prepare to bring beer cheer to your business with an early start.

BEER VS HARD LIQUOR?

Consumers tend to have different drinks on different occasions and at different places. So, if you have heard that more consumers are now also drinking wine and hard liquor, don’t be surprised. This trend is seen in certain dining and entertainment outlets but, in the traditional trade, beer remains the preferred alcoholic beverage because it is ideal to be consumed on more occasions.

Jothi Jeyasingam – Runcit Malaysia
A collaboration with Guinness Anchor Berhad (GAB)
ORAL CARE FOR BETTER BUSINESS

Oral care is a big money spinner for the traditional trade, so it pays to manage this category well.

Did you know that the oral care product category is a major sales contributor to traditional retailers like you? This should come as no surprise since good oral care concerns the entire population. It has strong support from the government as an absolute health necessity. It helps prevent dental caries and diseases of the gums and other parts of the mouth. Oral care is also vital to satisfy emotional needs like having clean and attractive teeth, having the confidence of fresh breath, and feeling good about one’s self.

For all these reasons, more consumers are practising good oral care now. This is reflected by a good number of retail insights:

1. **Household penetration is high** for oral care products, namely, toothpaste (96%), toothbrushes (68%) and mouth rinse (14%).
2. According to Colgate’s ‘Purchase Decision Hierarchy Study’, the majority of consumers plan their purchases of toothpaste (73%) and toothbrushes (62%) before actually going shopping.

Oral Care in the Traditional Trade

Given the widespread importance of oral care to consumers, products from this category are doing very well in the traditional trade. In terms of revenue contributions from within the total category, toothpaste generates 81% of sales while toothbrushes and mouth rinse deliver 14% and 5%, respectively.

Toothpaste is not only the biggest oral care sub-category, it is also the No 1 non-food product sold in traditional trade outlets (see chart below). In fact, traditional trade outlets are the 2nd most important sales channel commanding 57.2% of total sales, coming behind the supermarkets but beating the hypermarkets. This is consistent with a few important consumer insights:

1. Lower-income consumers, those living in remote places and others who simply do not have the means to get to the modern trade mostly rely on the traditional trade for their regular oral care product supplies.
2. During major holiday seasons, like Hari Raya and Chinese New Year, oral care product sales in traditional outlets often get a seasonal sales boost from consumers who have balik to their kampungs.
3. When their oral care products suddenly run out, most (if not all) consumers would rather meet their ‘emergency’ needs by buying from a conveniently-located neighbourhood traditional outlet, instead of fighting the traffic to get to a modern trade store.

<table>
<thead>
<tr>
<th>Product Penetration in Traditional Trade</th>
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<tbody>
<tr>
<td>EGGS</td>
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<td>SUGAR</td>
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<td>RICE</td>
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<td>BISCUITS</td>
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<td>COOKING SAUCES</td>
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<td>FLOUR</td>
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<td>COOKING OILS</td>
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<tr>
<td>CONDENSED/EVAP MILK</td>
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<tr>
<td>CANNED PRODUCT</td>
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<td>INSTANT NOODLES</td>
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<tr>
<td>TONIC FOOD DRINK</td>
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<tr>
<td>TOOTHPASTE</td>
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<tr>
<td>SEASONING POWDER</td>
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<td>POWDER DETERGENT</td>
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<tr>
<td>COFFEE</td>
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</tbody>
</table>

0 10 20 30 40 50 60 70 80

PENETRATION %
Managing the Oral Care Category

Good category management is proven to increase sales, profits and shopper satisfaction, especially if you are faced with stiff competition from the modern trade. By partnering with manufacturers who have strong category-management expertise, you can jointly push towards delivering higher category value. Besides this, it also improves your image as a retailer and will increase customer loyalty. All this become more important when you consider the fact that Malaysian consumers have become more affluent, knowledgeable and demanding when it comes to meeting their oral care needs.

In order to effectively manage your oral-care category for maximum effectiveness, you must have a thorough understanding of the category in your shop and assign the space, location and merchandising techniques in tandem with this. Here are some common simple tips to start with:

<table>
<thead>
<tr>
<th>GOOD PRACTICE</th>
<th>UNDESIRABLE PRACTICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔️ Do place toothbrushes with toothpastes.</td>
<td>❌ Do not put toothpaste together with detergents.</td>
</tr>
<tr>
<td>✔️ Do place oral care products adjacent to personal care products (like soap, shampoo, tissues, skin care items, shavers, etc) to present a total health and beauty segment. Demarcate the two categories well.</td>
<td>❌ Do not put antiseptic products together with mouth rinse. What does this suggest to consumers?</td>
</tr>
</tbody>
</table>
HALAL TOOTHPASTE

Sometimes, there is a misconception that a toothpaste is not halal if it does not carry the halal logo on its packaging. Here are the facts:

- Products made in Malaysia have to be certified by Jabatan Kemajuan Islam Malaysia (JAKIM).
- For products that are manufactured outside Malaysia, halal certification can be obtained from Islamic bodies (that are endorsed by JAKIM) based in the country of manufacture.
- In order for any toothpaste to be certified as halal, it must not contain ingredients obtained from animals or alcohol.

Considering that the majority of consumers are Muslim, most toothpaste manufacturers are striving to address the halal certification process in the immediate future.

Next Issue: EFFICIENT ASSORTMENT MANAGEMENT IN ORAL CARE.

Jothi Jeyasingam – Runcit Malaysia

A collaboration with Colgate, the global market leader in oral care and category advisor to the world’s largest retailers.
PROTECTING THE ENVIRONMENT

Recycle used Tetra Pak beverage cartons to protect the environment.

Lots of food and beverages are being consumed all over the world everyday. The packaging for these products are usually just thrown away and end up in the landfills. This, however, is causing landfills overflowing at an alarming rate. Even in Malaysia, this problem has already begun to surface.

As the world leader in processing, packaging and distribution systems for liquid food products, Tetra Pak believes that it has a responsibility to care for the planet. Thus, the company is committed to doing business in an environment-friendly way.

In Malaysia, the company is currently running a “protects what’s good” consumer campaign and a nationwide “Recycle & Win” consumer contest to encourage consumers to recycle used Tetra Pak beverage cartons. As a responsible retailer, you can also play your part to support this noble cause. Here’s what you need to know.

Q: How can used Tetra Pak beverage cartons be recycled?

A: Tetra Pak beverage cartons are made from 6 layers consisting of fibre, polyethylene and aluminum foil. These materials can be separated and extracted using high-tech process, called ‘repulping’. Thereafter, the fibre can be re-manufactured into boxboard and stationery like paper bags and notebooks. As for the poly-aluminum residual, they can be turned into plastic pellets that have a multitude of applications.

Q: How used Tetra Pak beverage cartons are being recycled in Malaysia currently?

A: Currently, Tetra Pak has its network of partners (ie Alam Flora Sdn Bhd & KPT Packaging Sdn Bhd as the waste collector and Pascorp Paper Industries Bhd as the paper mill) to handle the collection and recycling of its used beverage cartons, respectively. The Memorandum of Understanding between Tetra Pak and these companies were signed on September 8, 2005 to mark the official launch of beverage cartons recycling in Malaysia.

Q: How can consumers play a part to recycle used beverage cartons?

A: Consumers can now send in their empty cartons to any of the Alam Flora collection centres that are located in key locations in Klang Valley, or they could also drop them into any blue coloured recycled bin. There are also a number of NGOs who are actively accepting the collection of beverage cartons. To further drive and promote beverage carton recycling, Tetra Pak has launched an awareness programme to educate consumers of the need to recycle used Tetra Pak beverage cartons. As part of this effort to drive the collection, Tetra Pak has organised the “Recycle & Win” nationwide consumer contest in collaboration with the Ministry of Housing and Local Government. This contest kicked-off in May and has 3 qualifying rounds before ending on 31st January 2007.
Q: How can you help, as a responsible traditional retailer?

A: As a consumer yourself, you could start practicing at home by setting aside the used beverage cartons to be sent to any Alam Flora collection centre nearest to you. As a friendly and responsible traditional retailer, you could start by informing your shoppers that Tetra Pak beverage cartons can be recycled. You would be most helpful if you could refer them to the closest Alam Flora or neighbourhood recycling centre. Here are some useful telephone numbers:

**COMMITMENT TO THE ENVIRONMENT – sustainable by nature**

*Tetra Pak is committed to running its business in an environmentally sound and sustainable way. Our cartons come from a natural and renewable resource and are both recyclable and increasingly recycled. Sustainable by nature through our use of renewable resources, recycling and resource management.*

Jothi Jeyasingham – Runcit Malaysia
A collaboration with Tetra Pak (Malaysia) Sdn Bhd
MORE ‘UMMPH’ FOR YOUR SUCCESS

BOH Plantations, the largest tea company in Malaysia, recently unveiled its new brand identity to keep in tune with the needs of its consumers’ and maintain its competitive edge.

BOH Plantations Sdn Bhd CEO Caroline Russell said that, as a market leader, BOH which has a 60% volume share of the Malaysian market, had to change to remain dynamic. “In today’s fast-paced competitive environment, all of the world’s successful brands need to constantly evolve to meet the changing requirements of consumers and to keep their appeal alive, so too does BOH.”

In line with this mission, BOH recently invited members of the media to its Sungai Palas Tea Garden in Cameron Highlands to introduce its new brand image which is hoped will further strengthen the brand and enable it to bond with consumers on an emotive level.

The excursion at Sungai Palas saw members of the media participate in a workshop designed to give them a feel of BOH’s new signature message – “BOH puts the ummph in life” which has enhanced emotive appeal. This signature message was derived from interfacing “BOH ada ummph” with “BOH brings people together.”

These focal brand messages emphasise the brand’s ability to transcend social and cultural differences by enabling Malaysians regardless of race, age, and creed to come together to enjoy the simple ritual of drinking tea.

To complement its new brand identity, BOH also has new packaging look. The BOH orange has taken prominence as the packaging’s main colour while the logo typeface has become contemporary. “BOH’s packaging is highly recognisable in the trade, so we do not want to toss that out, but we want to keep the brand looking fresh and contemporary.” Said Russell

BOH new packaging is designed to be outstanding and prominent on retail shelves. Russell said because of the vast competition in retailing, the challenge of the brand is to jump out and get consumers to notice.
BOH will communicate this new brand message through a thematic television commercial which seeks to transcend social and cultural differences and appeal to Malaysians of all walks of life.

**BOH Plantations Sdn Bhd** produces 4 million kg of tea annually which translates to about 5.5 million cups of tea per-day. The company also packs and markets its own teas and thus is one of the few vertically integrated tea companies in the world. According to recent market research conducted by ACNielsen, BOH is Malaysia’s No 1 brand in packeted tea.

END

Jothi Jeyasingam – Runcit Malaysia
Cashing in on Chinese New Year

To maximize your returns during Chinese New Year, we bring you the top-selling categories for this festive period.

CHINESE New Year is one of the most important period of the year for traditional trade, which is why a smart retailer like you should strive to maximize your sales performance by offering consumers the ‘much sought-after’ product categories.

During this festive period, it would be wise for you to stock up on the top-selling brands simply because it is what your consumers want. This is a once-a-year sales opportunity you would not want to miss, as you will not only be building better relationships with your consumers, but will also be able to rake in the sales.

To give you a headstart, here are the top-10 categories - covering about 100 brands - in traditional trade during the Chinese New Year celebrations - from rice to toothpaste. Happy retailing!

2006 Top-10 Categories (in alphabetical order)

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Category</th>
<th>Brand</th>
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<td>Rice</td>
<td>Cap Jam Tangan</td>
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<td>Cap Kapal Layar</td>
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<td>2</td>
<td>Carbonated Soft Drinks</td>
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<td>Coca-Cola</td>
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<td>Infant Formula</td>
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<td>Trojan</td>
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<td>5</td>
<td>Health Food Drinks</td>
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<td>Sweetened Condensed Milk</td>
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<td>Dairy Champ</td>
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<td>Frisian Flag</td>
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<td>Family</td>
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<td>Fish (Gold Fish)</td>
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<td>Cooking Oil</td>
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<td>Mazola</td>
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<td>9</td>
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<td>Oral-B</td>
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<td>Sensodyne</td>
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This article is courtesy of ACNielsen. The marketing information company offers insights into competitive performance, consumer trends and marketing strategies.
Be a Part of ACNielsen’s Panel of Retailers Today

How would you like to help shape future marketing strategies for the traditional trade? Then, join ACNielsen’s panel of retailers and participate in its ‘National Retail Audit’ now.

ACNielsen, the world’s leading marketing information company, would like to invite you to join our panel of retailers and participate in our ‘National Retail Audit’, an initiative in which data is collected on fast-moving consumer goods or FMCG from the traditional trade.

This initiative is of great significance as more than 9,000 manufacturers rely on ACNielsen’s services to measure competitive performance, gain consumer insights and develop strategies that generate increased sales and profits.

The ACNielsen-Runcit Media tie-up
As traditional trade constitutes a substantial portion of the retail market, ACNielsen has teamed up with Runcit Media to present a united front to FMCG companies. These companies are willing to invest valuable marketing ringgit in the traditional retail market if they see reach and uniformity of display in these stores.

[Pix: Auditor taking inventory]

Our data collection procedure
- Counting of stocks by size, colour, package-type with captured product source codes, ie, barcode (forward stock & reserve stock)
- Recording the RSP
- Recording all purchases made between the previous and current audit.
- Recording all credits/returns.

Once you have become a member of our panel, our auditors will visit your store monthly to obtain the inventory of stocks and purchases. To speed up their work, please maintain a complete listing of invoices. We assure you that our auditors will work quickly and efficiently, with minimal disruption to your business. After each audit, you will receive a payment as a token of appreciation.

We also guarantee that all information collected from your shop will be kept strictly confidential. The results will be aggregated and shown in summaries as ‘Total Provisions’ and ‘Total Chinese Medical Hall’ only.

So, be a part of this endeavour today. To sign up, please call 03-7956 2311.

Jothi Jeyasingam – Runcit Malaysia Magazine
Is there Something on Your Mind?

In our ‘Question Corner’, Pak Runcit takes some time off from his busy schedule to answer some of your queries to generate better business.

Q1: My shop – which is situated next to a main road near a housing estate – is ideal location-wise. Unfortunately, competition is keen and I am finding it rather difficult to retain my customers, as they find some of the offers in the other outlets attractive too. In fact, of late, the number of customers frequenting my shop has decreased. What should I do Pak Runcit? - K/R Nik Tie, Kuantan, Pahang

A: A good location is very important in operating a retail outlet. If you have this advantage and are yet losing customers, some self-examination is timely. The following are some of the factors you could look into:

a) Ambience
Are you providing the right atmosphere for your customers to shop in, or are you driving them away? For starters, check on the ‘cleanliness’ of your shop and whether the goods are arranged in an orderly manner. Come up with a well-organized store layout plan, which will greatly assist you in effectively displaying all your merchandise. The golden rule here is that customers will only buy what they can see. What they cannot see, they simply choose not to buy. Also, avoid a ‘cluttered’ shopping environment, which is a sure way of driving away customers.

b) The right products and range
Make sure you know which are the fast-moving products and don’t ever be caught in an out-of-stock situation at any one time. Range selling is also important, so try and carry only products that are in demand. If you have not read the previous issue of Runcit Malaysia where the ‘Top-30 Product Categories’ by AC Nielsen and the ‘Trusted Brands’ by Reader’s Digest were featured, make sure you request for a copy from our Field Supervisor.

c) Display and merchandising
Spend more time displaying and merchandising your products and you will be pleasantly surprised by how your efforts will have a positive impact on your products’ off-take. You can also help to enhance display and merchandising by putting all the point-of-sale material provided by your suppliers to effective use. Remember … this is the selling-out function which you simply cannot ignore.

d) Price checks
Are your prices competitive compared to the other neighbourhood stores? Do some discreet checking to avoid over-charging your customers. Generally, consumers are very price-sensitive, and with the recent price hike in many a product category, they are constantly on the lookout for savings. If your prices are not competitive, then make sure you get your stocks from the right suppliers. However, if this is not the issue, then you may have to review your profit margin. Although pricing can be used as a strategy to attract new customers, please do not start a price war, as there will be no end to it.

e) Promotions
In this modern day and age, irrespective of the size of your outlet, it is recommended that you run a few promotions to create some excitement for your customers. If you have not been doing so, it is still not too late to get started. Before you realize it, some of your customers whom you have not seen for quite some time might start coming back. And if your promotions are attractive enough, you may even get to see some new faces.

f) Customer service
If all the above factors are in place, then you may have to review your customer service efficiencies. Do a checklist and rectify all the weaknesses immediately. For example:

- Are your staff friendly, courteous and serve/attend to customers with a ‘SMILE’?
- Does the level of your service measure up to the expectations of your customers?
- What are some of the complaints you have received from your customers so far?

We wish you all the best and hope that you will soon be able to get back all the customers who have not been patronizing your shop of late.
Q2: I have customers who want refunds for their purchases, claiming to have bought the wrong products. However, they don’t seem to be interested in wanting to exchange these products for the right ones. Further, the products that they had purchased are usually not defective. What should I do? - K/R APN Ent, Ipoh, Perak

A: ‘Goods sold are not refundable’ - this is a common practice in the retail industry. It is also an unwritten rule which consumers are expected to know. Can you imagine what will happen if your customers keep coming back for refunds? You will be spending a lot of productive time doing unproductive work. Besides the time and effort wasted, it will result in a chaotic situation, with the cost of doing business inadvertently increasing.

If your customers are not happy with what they had purchased, the merchandise is always ‘exchangeable’ or ‘replaceable’. And even with this understanding, it has to be effected within a stipulated timeframe, which is usually within seven days. However, if an understanding had been reached before the transaction was made, then the outlet has no choice but to honour the refund. This is more an exception than the rule, where the so-called special arrangement should not be over-extended.

We sincerely hope that in your next encounter, you will provide a convincing explanation to your customers, without running the risk of losing them to one of the neighbourhood stores.
THE LUCKY NUMBER 8

Gan Ming Loon, the owner of ‘Pasaraya 88’ in Tanjung Karang, says, ‘The number 8 brings luck and is easy to pronounce.’ In fact, so popular is the number 8 that several shops on one street in Menglembu also carry the number ‘8’ in their signboards. One of the retailers there says, “Business has always been very good thanks to the lucky number 8!”

Gan Ming Loon, Pasaraya 88, Tanjung Karang, Menglembu, Perak (Runcit Media FS: Badli & Ng)

THE 24-HOUR CONVENIENCE STORE CRAZE

A strategic location, safe locality and a huge business potential inspired two retailers to take the step towards transforming their outlets into convenience stores. They have not looked back since. Martin Joseph Francis, the owner of the Bukit Merah Convenience Store in Ipoh, says, “I am not worried about burglaries because there are four 24-hour restaurants in the vicinity and this area is busy all the time. Plus, I have CCTVs inside and outside the shop, and at least three workers on duty at any one time.” Umiyati Saidi, the owner of Pasar Mini Umi in Kota Bharu, says she converted to a 24-hour operation to capitalise on the fact that there are no other convenience stores in the area. “Business has been good ever since I started operating 24 hours,” she declares.

Martin Joseph Francis, Bukit Merah Convenience Store, Ipoh, Perak
Umiyati Saidi, Pasar Mini Umi, Kota Bharu, Kelantan (Runcit Media FS: Ng & Badli)
MAKING MONEY FROM PREPAID PHONE CARDS

Hoo Fook Hin, a savvy retailer from Kluang, sells prepaid phone cards worth about RM30,000 a month! He realised that there was a lot of money to be made from selling prepaid cards after finding out that there was a huge demand for it from his customers, especially foreigners like Indonesians and Bangladeshis. “I chanced upon this idea two years ago when I found out that there were a lot of these foreign workers in the neighbourhood and they were constantly coming in to buy prepaid cards. It was then that I decided to increase my stock of prepaid cards. It has proven to be a wise decision,” he says.

Hoo Fook Hin, Kedai Ubat Hin Hin, Kluang, Johor (Runcit Media FS: Peter)

NEED A MINI POST OFFICE, ANYONE?

Have you ever come across a post office that operates out of a traditional retail outlet? Well, there is one such outlet located in Batu Pahat, Johor. Tan Siong Kim, a creative retailer, started this novel concept 20 years ago with the hope of cultivating a better relationship with his customers and increasing the number of people who frequented his outlet. “Many of my consumers usually drop off their letters here after buying their provisions. They say it’s very convenient for them. I sell stamps and receive about 10 to 30 letters a day, including courier and registered letters. The postman will come to collect the letters between 10am and 11am daily,” he says.

Tan Siong Kim, Chin Siong Trading Company, Batu Pahat, Johor (Runcit Media FS: Peter)

MEET RODI, THE RMSB ROVER

Mohd Rodi Mohd Nor’s adventurous nature and love for meeting people make him an ideal fit for the job of field supervisor with Runcit Media Sdn Bhd (RMSB). Constant change is what Rodi gets. He hits the road on Tuesdays and returns to Kuala Lumpur on Sundays every week. His job takes him to Penang, Kedah, Perlis and Sarawak, where he services about 1,000 outlets.
Rodi says the most challenging aspect of being a field supervisor is recruiting retailers to be part of RMSB’s growing panel of retail outlets. “The most common hurdle I face in recruiting is when retailers think I’m trying to sell them something!,” he says. “I need to explain that by agreeing to be recruited, they would become our business partner and they don’t have to pay a cent.”

Rodi feels this problem is fast being overcome, as more retailers are beginning to appreciate the advantages of RMSB’s media products that include the Retail Advertising Panels and various in-store Point-of-Purchase (INPOP) media. “Satisfied retailers are spreading the good word about us around to their fellow retailers.”

Recruiting outlets is the most fulfilling part of Rodi’s job. “Nothing beats the sense of satisfaction I get each time a retailer wants to join us,” he says.
THE NUMBER 8 AND OTHER LUCKY NUMBERS

Numbers have feng shui implications for career and business success. There are individual lucky and unlucky numbers, and Chinese businessmen are most particular about the numbers of their telephones, their addresses, their car numbers and their bank accounts. They will never let the critical numbers of their commercial life to have what they deem to be unlucky numbers.

The Number 8 For Prosperity

The number 8 is widely regarded by Chinese as a universally lucky number. The feng shui explanation given is that phonetically it sounds like ‘growth with prosperity’. (Much of feng shui symbolism is based on the sound of the symbol used.) There are tycoons in Hong Kong who happily part with a cool million dollars for the privilege of having the single number 8 on their car plates.

In telephone numbers, credit cards and bank accounts, the Chinese also like to end their numbers with the letter 8 as they believe that this brings good fortune to their financial accounts. When the number is prefixed with 6, 7, 8 or 9 the luck is regarded to have doubled.

LUCKY NUMBERS

In addition to the number 8, other lucky numbers are 1, 6 and 9. Prefixed with a 4 these numbers become even luckier. The number 9 is especially superior since 9, multiplied by any number of times, and then reduced to a single number always becomes 9 again. Nine represents the fullness of heaven and earth. Another lucky number is 8 because we are currently, until 2024, in the period of 8 according to the Chinese calendar. The number 13 is not considered an unlucky number whereas the number 14 is.

UNLUCKY NUMBERS

The most unlucky number, according to the Chinese, is the number 4 because the word for it sounds like ‘death’ in many dialects. Thus any series of numbers that ends with a 4 is a major taboo. The unlucky numbers based on Flying Star feng shui are the number 5 and 2 and also the numbers 2 and 3 together. However, some people regard 2 as a good number that means easy.