

Shoprite Checkers to form joint venture with Sixty60 delivery partner RTT

By Nqobile Dlodla

13 Dec 2021

Shoprite Holdings announced on Monday that Shoprite Checkers has entered into a joint venture agreement with its delivery partner RTT Group, as part of a push to grow its e-commerce business. The deal will result in the retailer owning a 50% stake in a new online delivery company.



Source: Reuters/Siphiwe Sibeko

After years spent lagging much of the world in terms of e-commerce, South African retailers and delivery startups have generated record online sales as consumers avoided shops during the Covid-19 pandemic.

But the boom has strained the capacity of even the largest retailers, forcing them to invest and make e-commerce acquisitions to improve wait times and services, complementing scheduled delivery and click-and-collect services with on-demand delivery.

Owning last-mile delivery

RTT is currently the delivery service provider for Checkers Sixty60. Shoprite said the joint venture with RTT Group will protect the learnings, technology and intellectual property created by the Checkers Sixty60 on-demand delivery service to date while facilitating future innovation and development of the group's last-mile logistics.

"Owning the last mile home delivery aspect of our Sixty60 service is an important part of building out our digital ecosystem for customers," Shoprite Group CEO Pieter Engelbrecht said. "This RTT on-demand joint venture will allow the group the opportunity to continue enhancing our order fulfilment and last-mile delivery capabilities."



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The deal is due to be finalised prior to Shoprite's June 2022 year end.

RTT Group's on-demand business will be transferred into a new company in which Shoprite Checkers will subscribe for 50% of the issued ordinary shares, Shoprite said.

As part of the deal terms, Checkers Sixty60 will continue to use RTT on-demand as its delivery partner, it added.

Earlier this month fashion and homewear retailer TFG said it was [buying on-demand online shopping platform](#) and last-mile delivery provider Quench, while Massmart [bought a controlling stake](#) in grocery delivery service OneCart in October.

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