

Finding Africa's true prospects

 By [Danette Breitenbach](#)

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African Prospects Indicator (APi) is the first ever report of its kind in the world. Released this week by Nielsen, APi is the culmination of 18 months of information collection and analysis into a ranking of sub-Saharan African countries...

Danette Breitenbach spoke to Ailsa Wingfield, Executive Director Marketing & Communications Africa, who worked on the Indicator and presented it recently in Johannesburg.

"When clients are looking at investing into the continent, macro-economic data, such as the size of a country's economy, its population and growth prospects, is generally used as a source of information."

However this is not enough to assist companies in identifying attractive prospects she says. "More information is needed and that information has to have the ability to give you a clearer picture of a specific country - its economy, people culture... etc. For example, macro data might give you the size of the market but not the stability of that market. Companies need to understand the reality of that country's consumers and what they really feel in the market day to day."

APi does exactly this. "By bringing together multiple data the Indicator gives investors the information they need to make common comparisons and identify the key drivers of success in the different countries," she explains.

The Indicator brings together macro-economic data with business dimension, retail and consumer information sets.

Overall ranking

Through these four elements the countries are ranked. "The country that comes out tops is not one of the usual suspects. Instead it is a smaller country, but it has a stable good sized population, its inflation range is manageable and it has a stable and growing economy."



That country is the Ivory Coast and it is followed in the rankings by Nigeria and then Tanzania.

Overall South Africa is ranked lower, but business still views the opportunities here higher than the overall country view.

Business dimension

To give an accurate business dimension of each country, businesses and investors were asked to rank their view of a country's overall potential. The result? "Ethiopia came out as number one. Kenya, Ivory Coast and Zambia were next."

She says while Nigeria and Angola were ranked higher by the investors, the other three had a better "modern" trade.

Consumer

The Ivory Coast demonstrates the opportunities across the spectrum that businesses can tap into, but even with the Ivory Coast it comes down to the consumer. "Businesses need to try understand the consumer and how to communicate to them. The messaging must be right."

There is no single consumer in Africa; there is not even such a thing as a Nigerian consumer, as even within the various country's there are diverse consumers. "This is important to brands, again because it determines how a consumer interacts with media and brand messages and how they purchase. Categories are in various stages in different countries."

Whether the African Middle class is myth or reality, Wingfield says Africa has tiers of Middle Class, and the floating class is part of that. The daily income of a person can vary daily, moving from US\$1 to \$2 or 3 or 4 and back again. "However it is not just income but also mindset that identifies a person as middle class, for example the openness to try new products is very middle class."

Retail

Africa has one of the most dynamic retail environments but 95% of retail trade on the continent is through traditional outlets, on the open market, table tops and push carts. For a brand to execute on the continent it needs to understand key outlets and plan its routes to market.

"The key difference here is not so much a vertical supply chain but a complex horizontal supply chain, especially in the last mile of retail. A table top vendor will replenish their goods a few times a day. The key is to tap into that."

The APi will be updated and released quarterly.

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

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