

Demographics and their role in consumer behaviour

Customers influence generally comes from a series of issues when making purchasing decisions. This is true across the globe, and as such, the sub-Saharan Africa consumer is no different, new research by Euromonitor International has revealed. However, in Sub-Saharan Africa, one finds that some factors that influence consumer purchase decisions are unique to this region.



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Demographics play an integral role in the decision making of the Sub-Saharan Africa consumer. In a market like Nigeria, there is little racial diversity as the black race makes up the majority of the population. This makes it relatively easy for food manufacturers to target consumers as a common food culture and identify consumption patterns.

Multi-cultural

South Africa, on the other hand, has much more opportunities for retailers to diversify as the country has multiple races. Since people are exposed to many cultures, they are more open minded to trying out different foods and therefore it makes it relatively challenging to enter markets such as food retailing and apparel, as a clear understanding and knowledge of the market is needed.

Another factor that influences the consumer's purchase decision is culture, as it is a part of who the individual is. In Nigeria, most women are considered homemakers. They make most of the purchase decisions, with the "guidance" of the man, who is the head of the house. Nigerians have a generic dress code, which is similar across most ethnic groups. This affects the types of apparel products purchased by the majority of people in the country.

The same applies to the masses in Kenya who mainly eat the staple food, ugali (pap). This is because people have been eating this food and other traditional foods for centuries. This makes it challenging to other food products who compete with this type of food thereby affecting the consumer food service market. However, you find that in a market like South Africa that has many different cultures, most people are able to adapt to various food products such as pizza, fries, Thai Food and Indian Food. Therefore, retailers can sell a variety of foods in this market.

Knock-on effect of poor infrastructure

In most parts of Africa, infrastructure development is not of a good standard, thus electricity supply and poor road networks are a challenge. This heavily affects the food products that perform well in such markets. The environment is more favourable to traditional retailing as opposed to modern maybe because of limited refrigeration, for instance. Thus, highly perishable products such as ice cream, cheese and frozen vegetables do not do well in these markets. Poor road networks also make it challenging to distribute products in all these countries thus resulting in limited development in terms of shopping malls and the retail landscape. However, informal markets prevail as they often require less effort in terms of setting up outlets and as such, retailers who make food/items sold at these markets would be successful. In South Africa on the other hand, modern

retailing is prevalent due to better availability of power supply and alternative energy supplies.

South Africa has a good road and transport network, which makes it easy to transport perishables across the country. Societal values and perceptions are also key influencers in consumers' purchase decisions. You will find that customers in Nigeria and South Africa are highly aspirational which reflects in their spending habits. Social status is highly valued and consumers often distinguish themselves through the purchase of prestigious brands in apparel, beauty and personal care, jewellery and alcoholic drinks.

Perception

The perception of homosexuality is immoral in Nigeria, Kenya and Cameroon and has a lot of stigma attached to it. Therefore, any products associated with this do not perform well in this market, for example apparel. Subsequently most retailers in these markets are reluctant to embrace metrosexual trends in terms of personal grooming and clothing for fear of being viewed as homosexual. This therefore directly affects beauty and personal care product sales.

The research has found that across all four markets, very few consumers are well informed about the products they purchase. This makes it challenging to add a premium range to the product pricing when consumers do not understand the deemed benefits. Categories in health and wellness products including organic food, low sugar and reduced fat products are not very popular amongst consumers. Very few consumers often make an effort to compare prices before making purchase decisions for various reasons ranging from limited income, limited time and limited education to determine value for money offerings.

Income factor

Household income size is another factor that plays a big role in consumer behaviour. In Kenya for example, household income is relatively low and this restricts market growth for various retail industries with the exception of the food industry in relation to basic food products. There is a demand for larger pack types as average family sizes are big and bigger packs are more economical to purchase. Growth is restricted in terms of luxury retail outlets as the markets are limited to a few individual brands.

In a market like South Africa, income size is relatively higher when compared with other African markets thereby allowing more selling opportunities for distributors and retailers hence luxury retail is prevalent in South Africa. The number of people in a household is relatively low and is evident by the fact that retailers package most of their food products in small packs.