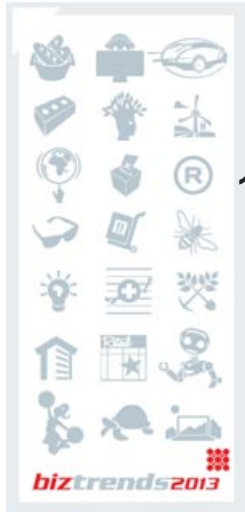


# Africa's dynamic markets

 ByObaika Consulting Team

31 Jan 2013

The year 2013 for most brands, especially the ones coping with saturated markets in developed countries, will be a decisive one. Incorporating **Africa** into their corporate brand strategy, if they haven't done so, will be the better part of valour, so to speak.



Countries such as China have already made a significant head start and only recently the US has expressed a clear and new focus of "doing business in Africa"; it's presumed that other countries will be following suit in very short order.

## 1. Africa's large consumer base

The large African consumer base is the honey pot that is currently attracting adept marketers; the consensus is that multiple opportunities abound.

When looking at Nigeria alone, with an estimated population of 160 million and also projected to be one of the top 20 populous countries by 2050, the aforementioned assertion could not be truer. Its large consumer base is definitely an attraction for the FMCG market and other product categories such as electronics, cars, etc and, with 50 million or more estimated internet users, coupled with the largest base of telephony users within Africa, there will definitely be opportunities for pushing retail growth through the use of the social media and expanding physical outlets.

However, it is imperative to point out that Africa's dynamic markets are usually characterised by diverse challenges such as poor infrastructure, political instability, diverse cultures, differences and sometimes extreme religious beliefs - all of which are inescapable facts but which also provide the terrain for ample opportunities for various brand segments, which hitherto may not have been looked at by developed economies. Perhaps save China, which as a reward for its foresight, gained fast entry, despite some of the perceived quality issues for its products.

## 2. Luxury goods

With Africa's youthful, large and growing consumer base, there will be a number of luxury brands that will do good to set up shop in strategic cities within the African continent.

We already see shops such as [Zara](#) and [Topshop](#) in Sandton. However, uber-luxury brands need to start making more headway.

A majority of these markets have savvy diaspora and high-nett-worth individuals, so the various lifestyle luxury brands will do good to position themselves in high urban areas where consumers with disposable income will be able to indulge without limits.

## 3. Global brands partnering with local brands for JV

This strategic move will be good for brands eager to enter Africa.

[Woolworths of South Africa](#) is a case in sample; it has partnered with [Chellerams](#), an established brand within the Nigerian market.

More recently, we have seen brands partnering for growth, such as China and [France Telecom](#)'s recent collaboration on web browsers for low-end smartphones in Africa.

#### **4. Call for quality on products and services**

Africa's youthful market - with exposure to developed markets through social media, traditional media and increased physical access to developed markets - will insist on the best quality possible. Any old product will not just do. So, brands, beware!

Upgrades on products such as phones will grow as users desire to fit in and ascribe more emotional satisfaction due to possessing the finer things in life. This trend will be key in defining this consumer segment's preferred brands, trends and product options.

#### **5. Changing and improving lifestyles**

The rise of the middle-class youth market and diaspora-comebacks or -returnees, plus high-income earners, certainly influences the changing and improved lifestyle of this segment.

This is buttressed by exposure to global trends through digital and traditional media, which then in turn influence their product choice and, subsequently, the purchasing behaviour for things such as cars, electronics, phones and laptops.

#### **6. Strengthening of business practice and corporate governance**

African businesses looking to do joint ventures on the continent, and which understand the value of their brand, will definitely look to instil best corporate best practices and proper employee conduct in order to enable them to attract the global partnership deals when they come knocking.

#### **7. Increased travel within the continent**

A plethora of business opportunities will definitely ensure that there is an increase in travel activity within the continent, and new routes will then be adopted on futuristic and strategic airlines. A recent case in point is that Air Zim has just announced a new route to Nigeria.

African countries in particular will need to facilitate formalities that will ease visa procurement at port of entry for fellow Africans to enable productive trade thrive.

#### **8. Regional blocs relevant in determining trade**

For easier access into Africa, especially when expanding into more than one or two countries, regional blocs will be critical to the strategic entry of brands into Africa.

These include ECOWAS and SADC, with member country governments expected to develop and nurture proper business environments with the attendant infrastructure in place, coupled with sound economic policies and good corporate governance practices in order to attract significant foreign investment.

#### **9. Mobile banking**

The majority of the markets in this genre are still massively untapped but mobile telephony has certainly improved access to information. This in turn has affected purchase behaviour.

With a large percentage of consumers under-banked in these markets, mobile telephony and rural marketing for bank products and services should be part of any financial services strategy to attract rural customers.

If there are any doubters in this regard, then perhaps attention should be paid to personalities such as Dr [James Mwangi](#), CEO and MD of Equity Bank in Kenya, who was named the "[Forbes Africa Person of the Year 2012](#)".

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