

Africa's retail advantage is its young population

The inaugural World Retail Congress Africa, which closes today 6 November 2103 in Sandton, has highlighted a key challenge for the retail sector in its opening debates. This being the limited infrastructure and access to rural communities. However, one of Africa's biggest advantages is its young population - 50% under the age of 20.



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Herman Mashaba, chairman of the Free Market Foundation and CEO of Leswikeng Investments, spoke about the importance of encouraging and supporting entrepreneurs in Africa. He singled out South Africa's central bargaining labour legislation as arguably one of the most anti-business pieces of legislation. He said the fact that workers who are not unionised were bound by agreements between the labour movement and employers placed undue pressure on smaller companies in terms of the salaries.

He said that many local retailers in the township have to be considered to enable them to continue to trade and contribute to the success of the South African economy. As an unashamed capitalist, he abhorred socialist tendencies where government decides what is 'good' for its citizens and bemoaned the current social welfare system in South Africa as a disincentive to the majority of people to do things for themselves.

Veteran analyst Chris Gilmour from ABSA Asset Management said Africa's advantage was that it had a young population with 50% being 20 years old or younger, with Rwanda leading the pack in Africa's growth with GDP of 6.6%.

Panel speakers

David Kneale, CEO of Clicks Group, Paula Disberry, group director retail operations and international and Ebrahim Mohammed, commissioner of the National Consumer Commission, participated in a panel discussion about South Africa's regulatory framework in relation to retailing.

Andre Farber, executive VP of O Boticiaro in Angola highlighted the opportunities in Angola and explained how the company grew its footprint from 3 outlets to 15 in three years. He said the company, originally from Brazil, depended on

local partners in Angola for its success.

Ramachandran Ottapath, CEO of Choppies in Botswana said the retailer aimed at having a significant presence in South Africa as part of its Sub-Saharan strategy. Choppies currently has nine stores in South Africa.

Jeremy Hodara, MD of Africa Internet Holding focused on the challenges facing retailers in the Nigerian market. He said the Nigerian online retail market was still in its infancy and cultivating trust in the online market was critical to success as consumers were wary of scams. Challenges with the infrastructure also affected the ability to operate successfully, as Nigeria does not have call centres or reliable logistics companies, which means that his online company has to do everything to get products to consumers. He also cited the lack of good middle management as a challenge in Nigeria.

Therese Gearhart, president of Coca-Cola South Africa said the company focused on insights to connect with consumers, particularly the youth, adding that the youth in South Africa were in touch with brands that help develop their communities.

Suzanne Ackerman, transformation director at Pick n Pay, said South Africans could not ignore where they come from. She said social justice is an important part of doing business and in addressing the inequalities of the past. She cited several examples of how the group supported emerging entrepreneurs, one of whom is a female pig farmer who supplies the chain.

Closing a successful first day, Raymond Ackerman, former CEO and chairman of Pick n Pay and the doyen of South African retailing was awarded a Lifetime Achievement Award by the World Retail Council. The elder statesman of retail said he still believed in the concept of giving as being central to doing business. He added that retailers have to think about their customers first ahead of profits, that way you always have the interests of your consumers at heart.

For more information, go to www.worldretailcongressafrica.com.

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