

Small is Africa's 'new smart' in 2018

By [Ailsa Wingfield](#)

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Africa has become a continent of catchphrases, be it 'Africa rising', 'untapped middle class', 'e-commerce explosion', 'leapfrogging technology' or 'brand loyalists', the list is endless... but what do they mean in a real-world context?



Ailsa Wingfield, head of Nelsen Emerging Markets Thought Leadership.

In 2018, there'll be a distinct need to take a step back from these lofty ideals and consider the fact that we still need to go back to the basics because no one is even getting the fundamentals right!

Agile brands are needed

This year will require an appreciation that despite the commodity price trials and economic and political tribulations, it's impossible to ignore Africa's powerhouse economies of South Africa, Nigeria and Kenya, which account for more than half

of SSA's GDP and nearly a third of consumers.

Fortunately, we expect to see these economies slowly turning around, however, in these trying times it cannot be all about price, cost-cutting or budget slashing and it cannot be about putting strategy and innovation on hold.

What it requires is solving the relationship crisis with consumers and retailers, especially in these larger markets. This is because during tougher periods, consumers can feel abandoned by the brands they know and trust when all they're seemingly faced with, is paying more for less, and the brands which have earned their spend are not always available, as supply is interrupted by irregular cash flow. Manufacturers and retailers that will thrive in 2018 are therefore those that adjust their messaging to match the mood, are agile in adapting their offerings to suit the consumer needs, and promoting for loyalty and not promiscuity, to ensure that loyalty is rewarded and not lost.

Go small to go big in Africa

Getting to grips with Africa in 2018 will require some real discipline and an acknowledgement that bigger is no longer always better. It should be all about being more precise in terms of how and where you're going after consumers. This will equally apply to packaging, products, visibility and distribution - and having the ability to adjust your strategy to focus on not everything, but that which matters.

Corporates will have to concentrate on less, more meticulously, to get it right - they simply can't be everywhere, all of the time. They will need to go into smaller markets/cities/areas first, with more relevant products and optimise retail activation in the places which matter most, and then start scaling from there.

A more meaningful middle class

When talking about Africa's 'flavour of the month' Middle Class classification in 2018; it will be more important than ever to prioritise Africa's rising Consuming Class who spend more than \$10 per day. Globally, the Consuming Class represent a massive rising opportunity in emerging markets, which by 2025 will swell to 4.2 billion (53% of the population) and account for half of consumption spending. It's therefore clear that Africa's growing consumer base represents significant potential for spending to increase exponentially and rapidly as advancement continues, and African consumers' circumstances improve.

With that in mind, businesses will need to consider the current as well as the future - five, 10 and even 20 years' time - and develop product portfolios, media plans and retail strategies which serve today's consumer needs and take consumers' future purchasing potential into account.

Fit for purpose

Understanding who Africa's consumers really are will also allow for more purposeful innovation in terms of the products that are designed, how they are marketed, distributed and sold in African markets. As part of this reality check, it will be more important than ever to move beyond income and demographic numbers to also understand how consumers live, shop, buy, interact and experience products, what influences this, what they watch and the impact of technology scale and utility.

Businesses will need to ponder whether to create new propositions for Africa or bring ones in from other emerging markets. Brands need to be mindful that success requires more than just bringing another affordable or available product. They need to identify their brand mandate/role, pinpointing at which stage of the consumer needs spectrum they are prepared or able to tap into.

Overall, Africa will continue to offer one of the greatest gifts of untapped growth (excuse the catchphrase) in 2018, but more than ever, it will require differentiation, individualisation, resilience and focused but adaptable strategies.

This year therefore calls for exceptional product, marketing and retail innovation to underpin the ability to capitalise on Africa's undeniably 'hot' prospects.

ABOUT AILSA WINGFIELD

Ailsa Wingfield is Executive Director: Intelligence for Nielsen Global Markets. She helps companies capture today and tomorrow's prospects by identifying and exploring demand generating trends through strategic foresight, knowledge and thought leadership creation. With a passion for Africa and Middle East, she established the Africa Prospects Indicator which determines overall country prospects and the sources of potential, across economic, business, consumer and retail metrics. Ailsa has extensive experience working with global and local brands in multiple countries across the consumer goods, media and telecommunications industry.

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