

# 5 businesses you'd be smart to start in 2019

As the co-founder and MD of Silvertree Internet Holdings, Manuel Koser has invested in and helped grow an impressive list of successful South African businesses. Among them are Faithful to Nature, UCook, Pricecheck, Petheaven, Cybercellar and CarZar.



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Constantly tracking consumer and technology trends, Silvertree's management team sees several business opportunities set to grow exponentially in 2019 and beyond. These are five that savvy entrepreneurs should keep their eye on.

## 1. Indigenous and ethical: personal and home care products

2019 sees growing potential for personal care products. "Those with local and indigenous ingredients, ethical sourcing which is kind to nature and the body," Koser explains. "There is a lot of room to play in the African haircare market particularly, as it's often overlooked by the major FMCG companies."

The Silvertree MD also sees increasing room for innovative natural home cleaners as consumers become increasingly environmentally conscious. "Until now, it was all about the well-known cleaning products the major chemical manufacturers put on the shelves. Now, there's increasing space for new, exciting entrants."



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## 2. New beverages

"Locally-sourced ingredients and an earth-first mindset will also play an increasing role in the consumer beverage market. Add to this the fact that major soft drink manufacturers will struggle to produce drinks for increasingly health-conscious consumers. They're often just not quick enough to adjust to changing consumer tastes – particularly the tastes of millennials.

"Think less about a standard fizzy drink, but rather one that's kind to the body, with natural ingredients. Non-alcoholic: water plus, say, cucumber, or another indigenous ingredient. The market for this will grow."

### 3. Ethical snacking

Plant-based, vegan, ancient grains, ethical, protein-rich snacks – these are just some of the trends Koser sees dominating in the snack segment in 2019 and beyond. "It's about unique, tasty, functional foods that cater to the modern, time-starved consumer," Koser explains.



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### 4. Buy, sell and compare online

In the technology space, marketplaces, e-commerce sites and classifieds will all gain momentum in 2019 and beyond. This encompasses aggregators as well as more unusual online businesses, which are increasingly able to find and reach consumers interested in niche products and services. "Consider an online ice-cream business. Once, something like that would have been unthinkable," Koser explains. "But as consumers demand greater choice, room for niche products like this grows."

Yet, dabble online and seamless execution and delivery become make-or-break factors. "Many South African consumers use services such as Google, Amazon, Uber and Spotify daily – world-class products that function on a global scale. You can call an Uber and wait for just two minutes before getting a ride," Koser says.

"It's quick and totally seamless. Consumers have come to expect that level of service across the board. Aligned to this is the fact that the millennial wave is currently hitting Cape Town right now, and Joburg secondarily, meaning a number of opportunities are opening up. Go after products and services in the right space and consumers will follow."



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### 5. Reinvent the wheel – and make it better

The final type of business entrepreneurs should keep an eye on is those that currently have low Net Promoter Scores. "This

means that very few people like them, or the services they provide are of very poor quality," Koser explains. "Think of postal service providers or telecoms companies. With any monopolistic or oligopolistic structures, the service is often terrible because the heavyweights hold so much power. There's a huge gap here."

An allied approach for entrepreneurs is to assess opportunities for automation, or cutting out the middleman with technology. "Once, many markets – such as real estate – were opaque, meaning you needed a middleman to help you transact. However, as the capabilities of technology have grown, markets have become far more transparent – making it easier for buyers to match with sellers safely.

"Today, a lot of this is easy to automate services – think about connecting a homeowner to a prospective renter through a digital solution where renters can be qualified, for example, in terms of their finances, personal information and criminal records. Quick and simple. And no middleman."

The biggest opportunities here centre around where consumers spend the greatest amounts of time and money, Koser notes. "Housing and rent are always major costs. In terms of where consumers spend their time, on the other hand, much of it is, on a mobile phone, or PC."

However, entrepreneurial success is never down to any one magic formula, he emphasises. Nor does Silvertree invest in prospective entrepreneurs solely on the basis of the product or service they offer. "It's about passion, perseverance and tenacity as much as it is about the quality of the product."

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