

5 expectations of the African millennial consumer

As the [largest consumer group](#) in the world today, it is impossible to ignore the impact millennials have had - and will continue to have for decades to come as they settle into their prime spending years.



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According to courier delivery service FedEx Express, millennials' impact will be particularly felt in Africa, where millennials have overtaken their predecessors – the baby boomers – as the largest demographic. South Africa alone has over 14 million millennials, for instance, making up approximately [27% of the population](#). What makes this so important is the fact that Africa's youth are driven by different concerns and realities than their global counterparts.

"This makes it critical for businesses operating in Africa to understand the unique challenges and opportunities of the continent's millennial customers, and their buying behaviour in order to be able to build meaningful relationships with them and give them the level of service they demand," says Mike Higley, vice president operations, FedEx Express Sub-Saharan Africa.

"Based on our own experience and expertise gained from working across Africa and creating deep and long-standing relationships, we have identified the five key insights you should bear in mind as a small business owner who aims to attract millennial consumers."

1. African millennials are tech-savvy and are increasingly choosing to shop online – and with a mobile-first approach

Improved access to the internet, greater mobile penetration and increasingly easy-to-use and navigate online experiences make consumers, especially African millennials, more likely to shop online. According to the PayPal and Ipsos third annual cross-border commerce report, South Africa's online spend is forecasted to grow to over R53 billion in 2018. In 2016, 43% of adults in South Africa shopped cross-border. The US is the most popular cross-border online shopping destination for South African online shoppers, followed by China and the UK.

Within that landscape, mobile is playing an increasingly critical role across the whole continent. Sub-Saharan Africa accounts for nearly a tenth of the current global mobile subscriber base and is forecast to grow faster than every other region over the [next five years](#). Businesses that want to remain competitive will, therefore, need to invest in their online –

and mobile – commerce offerings in order to attract (and keep) millennial customers.



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2. African millennials communicate with brands mainly through social media

Social media has completely changed how young Africans interact with companies. Immediate access to information and brands has changed the relationship between businesses and customers, as well as the way customers approach buying products. The continued growth of social media – with 191 million active social media users across the continent ([172 million](#) of whom access social media through their mobile) – has meant that peer reviews and referrals online carry more weight than traditional advertising; peer-written content is millennials' most trusted source of information.

Because millennials have more information available at their fingertips than ever before, they demand the highest levels of service from companies they support, from brands big and small.

3. African millennials expect a personalised customer experience

In fact, they demand it and if they are not getting it, they will move their business elsewhere. With the wealth of information that they make available about themselves, their values and preferences online and through social media, they expect brands and businesses to not only know what they want, but to provide it. And the results of a bespoke approach speak for themselves: brands that create personalised experiences see revenue increase by [6 to 10%](#).

Small businesses have an advantage in this area, as there is more opportunity to get to know and build more meaningful relationships with customers than, where the same can be difficult in big businesses. Clever small business owners leverage this knowledge to provide customers with a personalised experience that makes them feel that they are more than just another customer.



E-commerce and millennials

Fiona Brauns 18 Apr 2018



4. African millennials want to co-create bespoke products to meet their unique needs

In the same way that they want to feel personally important to the business they are supporting, African millennials prefer to buy from brands that emphasise unique offerings that allow them to express themselves over mass-market alternatives. Co-creation is more than just a buzzword; [40% of millennials](#) want to have a say or play an active role in co-creating the products that they spend their money on. By involving them in the process businesses can drive both customer satisfaction and loyalty.

5. African millennials are loyal – but you have to earn it

[Research by Accenture](#) indicates that millennials differ significantly from other generations when it comes to the concept of loyalty – and South African and other African customers differ even further. For instance, 88% of South Africans are loyal to brands that protect their private information, 67% are loyal to those that give them personalised discounts or special offers, and 52% are loyal to brands that support a cause [that they value](#).

If small businesses are able to capture the trust of their millennial customers, they will most likely remain loyal, an important trait to this generation. Companies that are able, for instance, to provide a one-stop shop for their needs will reap the rewards.

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