

A changing African consumer branding environment

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In-store advertising innovators Smart Media



In Africa, household consumption is expected to reach \$2.5tn by 2030 with Nigeria, Egypt, and South Africa accounting for nearly half that. This presents exciting opportunities for brands that want to grow in retail. But how do they approach this in an increasingly cluttered and competitive market?

Adding impetus for this need to expand is the fact that the continent is becoming the next big global manufacturing hub, overtaking China. [Research](#) from the Chinese Ministry of Commerce indicates that Africa's population will reach two billion by 2050, representing the largest labour pool in the world. In 2017, privately-owned Chinese companies made more than 150 investments in the manufacturing sector on the continent, up from only two in 2000.

It is the fast-moving consumer goods segment in particular that is in high demand, offering brands the platform to strengthen their footprint, embrace new media, and be more innovative in how they use digital opportunities at retail touch points. Considering that low and middle-income buyers will collectively have a [disposable income](#) of almost \$680bn by 2020, there is considerable potential for brand positioning and awareness in retail environments.

But connecting to the modern African consumer from a retail perspective is no easy task. While online shopping is certainly a valuable channel and digital marketing a core component of strategy in 2019, many shoppers still want the physical experience of a retail store. There should certainly be a balance between the two environments, avoiding the temptation to spend too much on online tactical elements while foregoing the in-store point of sale opportunities that are arguably critical decision-making and exposure touchpoints.

For example, in South Africa with its 11 official languages, brands often forget the value of advertising in the vernacular or slang of its specific target market. If the digital landscape has shown organisations anything, it is in the value of specialising more and generalising less to create more meaningful moments. The same applies to in-store media. By being focused on tactical experiences, brands will foster improved customer loyalty at a time when this is notoriously difficult to do.

Political and economic uncertainty aside, consumers are likely to be in an even stronger financial position than in the past. Brands should therefore invest now in the 'quiet time' on technologies that aid better insight and positioning. For example,

data-gathering or machine-learning (artificial intelligence) solutions that can assist in improved data analysis.

This, in turn, will result in better-targeted campaigns delivering customers a brand experience they want and need. Allowing brands to become more efficient in their online and offline approaches maximising marketing budgets for profits.

Ultimately, brands need to be open to harnessing new technologies and fresh insights to better position themselves in the dynamic retail environment. The world's attention is starting to shift towards Africa. Now is the time to start capitalising on it.

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