



Brand Building in Africa in 2010: A Field Guide for the Final Frontier

In July 2009, U.S. President Barack Obama visited Ghana, and for a few brief days the world's attention focused on Africa. Coming from the region of the world that has traditionally been known for war, famine, and disease, the images of America's first black president visiting the continent where his father was born caused many to view Africa in a new and thought-provoking light.



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Some spoke of the rise of a new African dawn, but really, since the end of the Cold War, most of the continent has made progress in law and order, development, and governance. The Africa of today is more stable, prosperous, and democratic than it has been in 100 years.

Therefore, for marketers, 2010 is the optimal time to approach the new Africa. However, this is easier said than done, especially without readily available information on the opportunities and hurdles that may be encountered. The early railway pioneers who struck out into Kenya's uncharted territory often ended up inside a lion, and as a global marketer you put your brand at risk of a similar fate if you enter this immensely complex and fragmented region without a guide.

Our work with global, regional, and local clients from our offices in Johannesburg, Cape Town, and Nairobi has provided the beginnings of the very "field guide" the continent needs. As a start, we have highlighted 10 "golden rules" for brand building in Africa.

Rule 1: It's Time to Take Africa Seriously

Though much is made of the emerging BRIC markets, opportunities in Africa are just as enticing. Between 2010 and 2015, growth in Africa is predicted to be slower than in India and China, but faster than in Brazil and Russia.

Many global companies have entered African markets in recent years, but the continent still provides significant open space in which your brand can grow. However, it is important not to underestimate the local competition. Too many international marketers have expected that their principal competitors will be other internationally recognized brands, only to come up against a local operator with all the connections, experience, and ruthlessness

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to make their business models unworkable. In addition, commodity and informal markets in some sectors make it difficult for multinational brands to survive, let alone prosper.

The lesson here is to take African markets seriously, with regard to both the potential rewards and the challenges to be overcome. In other words — yes, going into Africa will be worth it, but no, it's not going to be easy.

Rule 2: Africa Is a Source of Innovation and Creativity, Not Just a Destination

On a busy street in Monrovia, Liberia, Alfred Sirleaf stands, chalk in hand, beside a large blackboard that displays local and international news. Alfred updates the news hourly with information obtained from a network of “reporters” via mobile phone. Alfred’s board, which often uses symbols to help overcome literacy barriers, bears an uncanny resemblance to a Web site; hence his popular title, “the blackboard blogger.” We call this the “bow-wave” effect, when behavioral and conceptual paradigm shifts inspired by new technology precede the arrival of the technology itself.

Rule 3: Don't Presume to Know What Your Consumers Want

Two broad and diametrically opposed assumptions dominate thoughts on marketing in Africa: African consumers are either assumed to be unique in every way or just like consumers everywhere.

In fact, the truth lies somewhere in between. On the one hand, for example, much of the continent’s population spends most of each day fetching water for the household. On the other hand, a market-day scene I witnessed in a small village in Kenya actually had much in common with what occurs on major stock exchanges around the world. Though the scene included hundreds of Maasai warriors in full dress, milling around in a large, dusty square full of goats, when I looked past the goats, dust, and Maasai regalia, the essence of the gathering revealed itself. It could have been the New York Stock Exchange. Maasai were on their mobiles getting livestock price updates, contacts were being made, and livestock bids and counterbids were being put forward.

The lesson here is that life in Africa is unique in many ways, and many of the daily challenges faced cannot be conceptualized by



outsiders. There is, however, the risk of oversubscribing to the “This is Africa” philosophy. Many of the concerns and challenges faced by rural Africans would be familiar to a New York banker. Africans are different, except when they’re the same. Only strong research and insight will help you tell the difference.

Rule 4: Understand the Complexity of Poverty

The problem of poverty in Africa is often oversimplified (i.e., “Africans are starving”) to expedite the perceived solution (i.e., “the world should send food”). The reality is far more complex. The IMF definition of poverty — an income of less than U.S. \$1.25 per day — obscures the fact that in Africa, income is not the whole picture. Informal markets, social networks, subsistence agriculture, microfinance, and many other factors often bridge the gap between income and livelihood, allowing that \$1.25 to go a lot further than you might expect.

As a result, economic constrictions do not always define consumer motives, even in the lowest income groups. A premium brand can survive and thrive if it meets consumer needs well enough to justify its premium price. Marketers who think they need to fight only on price run the risk of dropping into Africa’s lethal commoditized markets and never establishing a sustainable brand.

Rule 5: Deliver Real, Tangible Benefits That Improve People's Lives

For years, Africa was a dumping ground for pointless and impractical goods and solutions often labeled as “aid.”



Likewise, many services and innovations launched in African markets to “add value” do not attract consumers because consumers do not perceive this value.

These offers are either irrelevant to local needs or their value has not been demonstrated effectively to local consumers. Either way, innovations in goods and services not recognized as congruent with the needs of the market tend to fail. With the cost-benefit equation being rigorously audited by most African shoppers, your brand's equity will be severely hampered if the brand cannot deliver value where it matters.

Life in Africa is unique in many ways, and many of the daily challenges faced cannot be conceptualized by outsiders. But at the same time many of the concerns and challenges faced by rural Africans would be familiar to a New York banker.

The best way to ensure that your products and services really do add value is to do your homework beforehand. The most successful innovations in Africa diagnose the need and then develop the solution, not the other way around.

Rule 6: Don't Undercapitalize or Underdeliver on What You Promise

Africa has a long history of broken promises — from colonial powers, political leaders and investors — but the past decade has seen Africans increasingly holding the powerful to account. And just as African citizens are now holding more political leaders to make good on their words, African consumers are increasingly holding providers of goods and services to account. When those providers underdeliver, consumers vote with their feet. The mobile telecommunications sector is a classic example. Around a third of Africa's mobile phone users have SIM cards with several different networks. If your mobile consumer encounters a network problem, he won't report the problem, be patient, or try again; he will switch to another SIM card within the minute.

Promises that are relatively easily delivered on in developed markets are much more difficult to fulfill in Africa. The old Africa is short of food, water, and medicine, but the new Africa is short of telecommunications infrastructure, electricity,

transport networks, construction materials, handsets, and bandwidth. To fulfill your consumer promises, you may have to invest in logistics and infrastructure. Many sectors, such as the booming telecommunications industry, have literally been built from the ground up with massive initial investment. But without an investment to guarantee the capacity to deliver on demand, your marketing becomes an expensive waste of time.

Rule 7: Commit and Be Responsible

The year 2008 was a landmark in Africa's development; for the first time, foreign direct investment (FDI) in Africa exceeded foreign aid to the continent. Moving forward, we are likely to see FDI eclipsing aid by an increasing margin. In this new Africa, development is about building local capacity and



ownership, good governance, and inclusive development. The successful investor takes this into consideration.

In Nigel Hollis's 2008 book, *The Global Brand*, to which we contributed a chapter, we pointed out that when global brands succeed in Africa, they become more than a little African in the process. But it's about more than just identity. You need to demonstrate a commitment to the market you are investing in, not only through communication but also in

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how the business operates. A company that does not engage local talent, support local communities, and take local ideas and realities on board is not only missing out on vital market intelligence, but is also not inspiring any trust in its local consumers. If you are not visibly committed to Africa, why should Africans commit to you?

Rule 8: Cut Through the Clutter with Your Communication

Advertising in Africa is in a high-growth phase, and in the excitement, advertisers often take for granted that marketing messages will have an impact and be retained. But TV is generally of poor quality and TV advertising often loses impact because it is difficult to see or hear. High production costs also make it difficult to produce and air quality marketing communications. Radio has the best reach overall, but this reach is fragmented; most African countries have over 100 stations, partly because of the multitude of local dialects. Print, though widely consumed, is less impactful than broadcast media.

But there are successful strategies amongst this chaos. Poor-quality TV advertising and relatively low clutter allow great creative to have immense impact. The variety of radio channels provide opportunities to target specific ethnic and regional groups. And new media channels are gaining a foothold within the local media industry — digital billboards, online communications, and above all mobile have a bright future across the continent.

Rule 9: Hit the Word-of-Mouth Sweet Spot

A Western shopper visiting a traditional African market will be struck by the lack of prices on the merchandise and the resulting need to discuss the price of every item with the vendor. But the idea of taking the personal interaction out of shopping is anathema to African cultures. Across much of Africa, it is considered rude to pass someone on the street without at least a greeting. This continent did just fine without the written word for thousands of years, and no amount of modernity will remove this basic tenet of African culture.

Word of mouth is surpassed by TV, radio, and billboards when it comes to generating brand awareness, but it carries more inherent trust than conventional media channels. The brand that gets prevailing public opinion moving in the right direction has harnessed Africa's strongest asset: humans working together. The most effective way to do this is to speak directly to your target market. Get public-facing teams on the streets to engage with consumers one-on-one, not just to sell widgets but to inform people about what you do and how it can benefit them. Every person you convince is likely to tell another person (the probability is 80 percent), who in turn likely to pass it on again.

Rule 10: Know Your Market in All Its Complexity

If there is one idea underlying all these “rules,” it is that there is no substitute for local knowledge. Do not take your product or service into any African market without a good budget for research and insight. Engage local operators while keeping a close eye on their quality standards and their capacity to deliver. And when the research comes back, pay attention to it even if it communicates news that is unpleasant or inconvenient. Had the local experts been consulted, the railway line through Tsavo might have provided lunch for fewer lions.

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The Global Brand, by Nigel Hollis

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