

Retailing in Africa: no free lunch

By  [Danette Breitenbach](#)

5 Nov 2014

There is a big opportunity to make money quickly in Africa, but you should rather go in and stay. This might require engagement with many small stakeholders and investment on your part, but winning in Africa requires a long-term view. Its consumers reward brands they trust.



Merkato market workers - Ethiopia

© Ilia Torlin – [123RF.com](#)

This is according to Yaw Agyenim Boateng - associate partner at McKinsey Lagos - who, together with Damian Hattingh (partner at McKinsey Johannesburg), told delegates at the Consumer Goods Council of South Africa Summit 2014 held recently at Vodaworld in Midrand, Gauteng, that the reason for this is because in Africa, one often finds cities with a higher consumption than the rest of the country as a whole.

Establish the 'where'...

When selling in Africa, prioritising by country is not enough. You have to do it by city by city, Hattingh told delegates. "Once you have chosen your cities, then you must identify the category and then the product lines. Find out what the take-off points are for your products in the identified cities. This implies that you have to understand the S-curve for your product," he says, adding that you need to ask if the countries you are focusing on are ready for your product.

...Now the 'how'

You have identified where you are going to play, but how do you get your product into the hands of the consumers, asks Boateng. "Once you have committed to a country, do not go it alone. Of course you can, but consider that there are 700,000 sales outlets in Nigeria. To reach all of these, you would require an army."

So you need friends who become an extension of your business. "Select a good distributor and help him. Give him

incentives. You also need wholesalers."

Keep in mind that you cannot have a relationship with every distributor and wholesaler in the country. He recommends selecting ones that will serve the outlets that matter to you in the territories you have selected. Use wholesalers by geography and for open markets, he adds. "The right sales force is worth their weight in gold so find them and hire them. Your distributor will hire them," he says.

The right tools

The open market is crowded - literally - so trucks only get through with great difficulty. "There is no need to get fancy but do make sure that your sales force has the right tools to do their work, for example a small wheeled apparatus that the salesperson can easily pull behind him, loaded with product."

Motivate your sales force to visit the outlets you have selected, even the small ones. "You cannot afford to ignore the smaller outlets that are high volume as everyone passes these every day and buys something they need. Be sure to replenish them a few times a week," he explains.

Stalk your staff. Invest in the right tools such as an app that tracks sales, back-end orders and route compliance as well as identifies outlets that buy a certain volume. "Buy devices and put them in the hands of the people who service your outlets. These are the ones you want to track. Start simple, with paper records, but you have to invest."

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.
■ Retailing in Africa: no free lunch - 5 Nov 2014

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>