Africa embraces consumer convergence

According to the recent KPMG Consumers & Convergence Report, South African consumers and businesses are comparing favourably to the rest of the world when it comes to adopting new technologies and using social media.

KPMG

"When we launched our first study in 2006, there was no iPhone, iPad, or an apps market. Facebook and Twitter were in their infancy. Today, consumer adoption has gained pace even faster than some of the technology developments that are taking place," says Frank Rizzo, managing partner: IT Advisory at KPMG.

According to Rizzo, people do not care about the hardware they are using. While they are certainly brand conscious, users care about how devices are used to consume and generate content and how companies interact with them using their platforms of choice.

"The converged lifestyle has significant implications for businesses across sectors in the way they engage and build relationships with their customers. Globally, we are seeing people increasingly willing to share their usage patterns with businesses if they have a compelling reason to do so, for example reduced cost of goods or other incentives," he says.

When it comes to privacy and security, South African respondents are more concerned about these issues than global and Nigerian respondents, who participated in the survey for the first time. As an example, 61% of local respondents are very concerned about the threat of unauthorised parties gaining access to personally identifiable information while only 21% of Nigerian respondents are concerned about this.

Click to buy

With people using various devices to access information, more than half of South African respondents (54%) are using mobile phones to locate their nearest retail store with Nigeria in the lead with 68% of respondents. However, local respondents are ahead of global figures and those from Nigeria when it comes to using mobile devices to make payments.

"In this modern age of engagement, it is clear that businesses need to build trust with customers to succeed online. Users are continuously asking themselves whether they trust a company enough to share their personal data with them," he says.

Most online purchases in South Africa done on a computer are for flights and vacations (50%), ahead of global (35%) and Nigeria (1%). South Africans are also more likely to purchase low-value goods such as CDs, DVDs, books and computer

games online (34%), than global (29%) and Nigerian (3%) users.

"We have also seen that while South Africans use their credit cards to make online purchases, Nigerians prefer using Payal or wire transfers as a means of making payment. This could be attributed to the effectiveness of South Africa's banking system when it comes to online payments," says Rizzo.

Being social

South Africans use social networking more than compared to global trends and almost double when compared to Nigeria. However, local users are still more concerned about sharing personal identifiable information than the Nigerian market. This changes when companies offer users incentives so there are definitely idealistic and pragmatic viewpoints when it comes to personal information.

"While local respondents are concerned about privacy and security from a personal perspective, they are quite happy to use cloud computing services to store contact information and address books. Storing banking information on the cloud is also something 31% of local respondents would do as compared to only 8% of Nigerian respondents," adds Rizzo.

Content pricing concerns

Perhaps more concerning for content companies is that South African and Nigerian respondents are very price conscious and not willing to pay for online content.

"While many content providers are looking at implementing a paywall model, it seems that consumers will generally find alternative sites to get their news and information from. Content providers who are monetising usage patterns do seem to gain a bit of traction for users who want to see digital value-adds to content such as content apps, multimedia elements and more interactive and engaging content," believes Rizzo.

For Rizzo, the report highlights the extent to which the South African and Nigerian markets are embracing technology across sectors to interact with not only friends and families, but also to engage with brands.

"Consumer expectations when it comes to content and brand engagement are changing at a phenomenal rate. The companies that will succeed in this new era of engagement will be the ones who can build trust and who can interact with their clients on the platforms they choose," concludes Rizzo.