

## Uncertainty ahead: The state of African consumer sentiment

The recently released *State of the African Consumer* report by data intelligence provider Kasi Insight examines current consumer sentiment on the continent, including concerns around inflation, supply chain disruptions and geo-political risks, and how these forces may impact consumer pockets.



Source: [Pexels](#)

According to [earlier data](#) released by the World Bank, sub-Saharan Africa experienced its first recession in 25 years when the Covid-19 pandemic struck. This has resulted in a difficult recovery for the region and has also brought to the fore new economic growth challenges, compounded by the Russia Ukraine war.

### Africa's economic recovery threatened by rising inflation

Post the pandemic, inflation costs on the continent are surging upwards with fears of an impending recession on the cards. Less than half (48%) of respondents in the *State of the African Consumer* study expect economic conditions to improve over the next six months, with remaining respondents fairly evenly split between optimists who expect it to improve (27%) and pessimists who expect it to worsen (24%).

The main concerns relate to inflation, with the UN's Food and Agriculture Organization (FAO) forecasting prices of necessities such as food and oil prices to increase by 28% this year.



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### On the fence about economic future

The Covid-19 pandemic's impact on the economic performance of African countries varied, leaving many consumers on the fence about the future. The uncertainty arises primarily because the dip in the economy

hitting consumers where it hurts most – household purchasing power. This has resulted in the majority of consumers feeling unsure about their ability to buy necessities (food, utilities, etc.) and discretionary items (furniture, appliances, etc.).

Half of the report respondents (48%) believe that their respective country's economic conditions will stay the same over the next six months. The same sentiment is also shown when looking at expectations around household income. Majority of the consumers surveyed (45%) expect their household income to remain unchanged over the next six months.

When examining the financial impact further, households are finding it difficult to find a job (52%) and earn money (38%).



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## Gen Z most optimistic about the future

Gen Zs, the world's largest generation cohort, accounting for one third of the global population, are the most optimistic about the direction of the economy with 36% expecting an improvement over the next 6 months compared to 26% of Baby Boomers.

Gen Z are the most optimistic about their household income with 42% expecting an improvement compared to 34% of Baby Boomers. Baby Boomers are the most optimistic about having enough money to buy necessities (48%) compared to 23% of Gen Z. The same is true for discretionary spending with 28% of Baby Boomers looking to make large purchase compared to 18% of Gen Z.

On the job market and business front, there are shared difficulties with 11% of Baby Boomers finding it easier to source a job compared to 5% of Gen Zs. When it comes to making money, 8% of Gen Zs and Baby Boomers are finding it easier - the only thing they seem to agree on.

To win in the world's fastest-growing market, business and financial leaders need to have better visibility into the realities of Africa's economies, markets, and communities through the lens of consumers.

"Africa is evolving fast, and the data must match this for business leaders to remain competitive, in touch with consumer challenges, interests and needs and make informed business decisions," comments Kasi Insight's CEO Yannick Lefang.

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