

Africans optimistic about the future

The people of the African continent are optimistic about the future and are proud of their achievements and their sometimes iconic leaders. This is according to Clint Rynners, Eurasia Africa Group Knowledge and Insight manager of Coca Cola, who was speaking this week at a conference organised by IHS Global Insight on Africa's economic outlook.

By [Janice Roberts](#) 14 Jul 2011

"Africans don't see themselves the way the rest of the world does ... They are modernising rather than westernising, cherry-picking elements into their own culture and world view in a very deliberate way."

He added that the continent's population continued to grow.

"Africa has over 50 cities with a population of a million people or more and US\$1.4 trillion of consumer spending is forecast by 2020."

By the end of the century, Africa would have more than five times the population of Europe.

Rynners said it was important to realise that Africa was urbanising: "There is therefore increasing interest in the continent as a consumer market and rapid urbanisation combined with increasing disposable incomes promises increasing consumption."

He noted that Africa's emerging middle class could be seen as an economic power house.

"By 2020, 46% of the world's middle class will be living in Eurasia and Africa and there'll be more disposable income.

"Branding is seen as replacing affordability as the driver of choice."

However, there were also opportunities "at the bottom of the pyramid."

"Converting the poor into consumers means avoiding false assumptions."

These were the assumptions that the poor had no purchasing power and therefore did not represent a viable market; that the poor were not brand conscious and did not require sophisticated products; and that the poor did not adapt quickly to new technologies.

Rynners said converting the poor into consumers meant following the three "A"s.

These were affordability - without sacrificing quality or efficacy; access - intensity in distribution was vital; and availability - products had to be available at once.

Rynners added that to become or remain relevant to African consumers, companies thinking of doing business in Africa had to understand the habits and attitudes of a population that was mostly made up of young people.

"So you have to look at the relevant branding; technology; as well as interactive communication driven by

digital means even though older media channels are still important."

A number of trends had impacted on the values of the African consumer and these included not only urbanisation but increasing wealth, increasing education levels, improved healthcare and the large number of women in the workforce.

Rynners said that retail channels were expanding rapidly, but at a cost to more traditional trade channels.

"Shopping habits are becoming more like those in Europe and there is a great interest in online shopping and banking based on mobile phones."

Indeed in Africa technology had leap-frogged the milestones of the developing world.

"The technology leapfrog effect is allowing companies to reach new consumers while broadband is expected to increase from .04 lines per 100 inhabitants in 2006 to 2.54 lines in 2015."

Companies are also taking advantage of high mobile phone penetration rates to reach new consumers. He put mobile penetration at 41%, web penetration at 11% and Facebook penetration at 3% - relatively low.

"But it started a revolution in Egypt."

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