

SA's real 'main market' is where brands will grow market share

 By [Andrew Weinberg](#)

25 Sep 2019

According to the UCT Research Institute's latest report - 'The Top Million' - South Africa's "upper middle class" has the potential to make or break brands with a combined spending power of R700bn, making up almost 40% of all consumer spend and 5% of total households.



Image credit: Clark Young on Uhsplash.

The first real data and insight into the untapped 'mass-market' started in 2012 with reports suggesting that 70% of South Africa's consumer market lives in households that collectively earn less than R6,000 per month.

A lot of progress and further research has been made since then to reveal the power and importance of understanding and connecting with the mass market in Africa that moves between formal and informal retail spaces to search out the best fulfilment method for their needs.



The SA consumers with the power to make or break brands

Louise Marsland 12 Sep 2019



Let's get to the main market

At least 54% of the South African population falls between LSMs three and six – with an estimated 13 million shoppers in the independent and informal retail sector. This is not traditional, bottom-end or emerging, this is the 'main' market of South Africa.

However, despite all the research done to date about this economically-active consumer base, there are still nuances and misconceptions around low-income consumer behaviour – resulting in marketers generally failing to connect with this crucial market.



Mass market challenges need mass-market people

Zibusiso Mkhwanazi 30 Aug 2019



To demonstrate the continued employment of outdated strategies by brands, the current advertising spend directed at the LSM eight to 10 bracket is 70%, with over 81% of households therefore not being proactively engaged with.

In other words, most advertisers and marketers are missing the boat when it comes to targeting South Africa's mass market. Those in the know refer to this market segment as the mass market but we believe the label of 'main market' is more fitting because of the vast potential it offers to brands and marketers who are willing to rethink their marketing and sales strategies.



#ECO19: Is your mobile commerce strategy excluding the mass market?

Lauren Hartzenberg 22 Mar 2019



A moving target, this main market moves fluidly between formal and informal retail spaces such as spaza shops and cash and carry's, trying to best fulfil their needs that include value, experience, convenience, trust and connection.

Misunderstood missed market

This constant state of flux makes it incredibly difficult to find a strategy that works and, for many brands, it is a constant challenge to find a way in.

“ Brands need to approach this segment with precision rather than with broad-based tactics. ”

Technology has helped the industry introduce effective brand engagement opportunities that include shopper marketing and loyalty programmes in the main market.

These 'commonplace' touchpoints in modern trade environments like Clicks, Woolworths and Makro were never previously available to the growing main market consumer in the independent trade sector, and we have seen first-hand how our introduction of direct access for brands into this market and retail space has proven invaluable and extremely effective for both brands and retailers.

“ Thank you! The votes are in for this year's [@SundayTimesZA](#) Shopper Survey Awards! [#FeelGood](#) ”

- #1 Health and Beauty outlet

- #1 Pharmacy Your support means everything to us! pic.twitter.com/Jaw8n2Z013— Clicks (@Clicks_SA) [September 19, 2019](#) ”

Finally, brands are gaining access to valuable consumer insights critical to brand decision making and a large scale campaign to drive market share and sales.

The downturn of the economy has seen modern trade become more stagnant with no significant change in shopping behaviour from the higher LSM consumer.

I firmly believe – and the data confirms it – that the main market and independent trade is the only place that brands are going to see double digital growth and not only in South Africa but across the continent.



How SEM Supergroups help delve deeper and deliver granular information

23 Sep 2019



There is vast potential for marketers who are willing to rethink their marketing strategies and the key is going back to basics to find a solution that brings value, experience, trust and connection in the main market space.

These needs are not limited to this income bracket, however, and, until now, brands are failing to meaningfully connect here.

To generate relevant content, brands and companies need to put their thinking caps back on. The only way to do this is by getting inside consumers' minds to fully understand their aspirations, behaviour and what drives them.

I believe the key for brands to tap into the main market, which has often been referred to as a 'blind spot' by big brands, is through education and working with experienced and established agencies that have a proven track record in this exciting space.

ABOUT ANDREW WEINBERG

Having started his first business venture as a varsity student, Andrew Weinberg is now a seasoned entrepreneur whose customer engagement and incentives solutions business, Retail Engage, is changing the game for the South African second-tier retail base. The Entrepreneur of the Year competition (sponsored by Sanlam and Business/Partners) named Andrew Weinberg as this year's overall competition winner.

» SA's real 'main market' is where brands will grow market share - 25 Sep 2019

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

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