

Africa's double-edged consumer demand

 By [Ailsa Wingfield](#)

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Africa's consumer landscape is fragmented and polarised, characterised by the double-edged demand of a diverse base of consumers.



Ailsa Wingfield

Some are feeling more prosperous, while others are amongst the most stretched spenders in the world. Some crave new, premium or convenience products, while others seek value for money, quality private-label goods, and prefer to stick to their firm favourites.

Against this backdrop, 2020 is set to be a year characterised by contrasting trends and behaviours.

Disruption

The order of yesterday, today and tomorrow. Do not expect a year ahead without choppy waters; it's the nature of the environment where we live, work and serve consumers.

There will continue to be economic, political and social uncertainty and turbulence in some markets, while there will be more stability in others.

“ Many African markets will continue to beat the global best for growth,

advancement, and innovation. ”

Regardless of where you operate, a deep foundation of potential exists – large untapped populations and markets, growing urbanisation, rising prosperity, expanding consuming classes, untapped consumption potential – and signals substantial opportunity for success provided your toolkit contains the ‘Africanised’ equipment.

Disloyalty

The proliferation of product, place, platform and content points to growing disloyalty.

“ Increasingly discerning and fickle consumers are actively looking to play the field in search of new, novel and niche. ”

Availability-based buying, often mistaken for loyalty, will give rise to reduced risk of trial as choice explodes. This new battleground means brands need to be more than affordable and available; and will need to answer and account for what they solve for consumers, and how they go about doing that.

This means more purposeful brand principles, beyond the tangible traits of value, quality, design, and function, need to be considered. Factors such as sustainability, experience, transparency, and trust will be elevated into the decision making process. Brands will need to align with consumer ideals and on terms in which consumers are willing to associate and offer their fidelity.



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Dichotomy

The dilemma of what consumers need and want relative to what is available, what is affordable or what they are willing to pay more for will come into sharp focus in 2020. No matter where consumers live they will look for better quality, value and convenience, as well as healthier, sustainable and environmentally-friendly options.

However, selections are often limited or only accessible to those in higher-income groups as they are priced at a significant premium.

“ The contrast between consumers who can only afford the basics and those who can spend freely will become more polarised than ever. ”

Mass market, mixed-price portfolio strategies will likely become less common as companies refine their priorities and innovation strategies to focus on 'Super Consumers'.

Digitisation

Consumers have growing access to more and better technology, but usage and functions beyond communicating, entertaining and social interaction are still far from mainstream. Adoption of in-store technology, e-commerce, mobile applications, artificial reality and virtual assistant services to streamline consumers' lives therefore still have a way to go.

“ However, there's little doubt that for those who gain access to more cutting edge digital options, life will be simplified and streamlined by obtaining products, services, information, and content in modernised, efficient and personalised ways. ”

To get to grips with both sides of the 'consumer coin' in 2020 will require a crystal clear view of the consumer context - their circumstances, needs, aspirations and outlook. Acceleration and amplification of information, excitement, experiences and exponentially more choices will see consumers craving niche and enhanced products against the backdrop of the fast and fickle 'expectation' environment.

Retailers and manufacturers will, therefore, need to match these diverse needs, leveraging data to develop deeper relationships with their target markets and solutions that are 'right here, right now and right for the consumer'.

ABOUT AILSA WINGFIELD

Ailsa Wingfield is Executive Director: Intelligence for Nielsen Global Markets. She helps companies capture today and tomorrow's prospects by identifying and exploring demand generating trends through strategic foresight, knowledge and thought leadership creation. With a passion for Africa and Middle East, she established the Africa Prospects Indicator which determines overall country prospects and the sources of potential, across economic, business, consumer and retail metrics. Ailsa has extensive experience working with global and local brands in multiple countries across the consumer goods, media and telecommunications industry.

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