Africa's digital-native companies poised to unlock revenue growth

By Olufunmilayo Okubena   7 Apr 2022

The evolution of technology, together with the global Covid-19 pandemic, has resulted in a shift in customer behaviour, with an increasing number of people adopting a mobile-first approach when engaging with brands

Source: www.unsplash.com

This change in behaviour has also altered customer expectations. Consumers are demanding the convenience of instant information and communication over their preferred channels, while also expecting a highly personalised customer journey.

Research conducted by Google and Forrester Consulting confirms this trend, finding that 68% of consumers are more likely to buy from a business that offers convenient communications. Furthermore, 34% of consumers say that they complete more transactions online than ever before since the outbreak of the pandemic.

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At the same time, organisations must keep in mind that they will not only have to adapt to the changing expectations of their traditional customer demographic but will also have to cater for the expectations of digital-native consumers These are individuals who were born after the widespread adoption of digital technology, typically millennials and Gen Z.

Understanding customer behaviour

It is very important for retailers to effectively gather and leverage data insights to understand their customer's behaviour and meet their needs and expectations – at any time and via the channels of their choice. Digital-natives customers expect a seamless and personalised customer experience (CX) across the entire customer journey.

However, companies must be prepared to deal with the complexity that comes with harnessing diverse technologies and understand the context within which they communicate with their customers across various channels.

While many organisations have a solid approach when it comes to customer communications, their biggest hurdle is that internal business units often work in silos. This can make it challenging to devise an integrated way of communicating with customers.

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Now more than ever, it is key for organisations on the continent to create conversational experiences that add value to the CX. Africa is rapidly becoming the emerging region for digital-native consumers and this presents immense opportunities for brands.

According to the e-Conomy Africa 2020 report, Africa's internet economy has the potential to reach $180bn by 2025 and its total population is expected to grow to 2.5 billion by 2050, from the current 1.3 billion. In addition, 40% of Africans were already digitally connected in 2019.

Common characteristics

This means that digital-native brands will be best positioned to unlock revenue growth opportunities, as they share many of the same characteristics as digital-native customers. The products and services developed by these brands tend to address a variety of problems that are common to the modern customer.

They also tend to be more vertically integrated to provide consumers with a better customer journey and strong customer service without the usual challenges associated with traditional businesses. Traditional businesses tend to be burdened by brick and mortar sites and legacy IT systems, while also lacking the ability to leverage customer data effectively to deliver a truly personalised CX.

Areas in which digital-native organisations already lead the way across Africa include the fintech, e-commerce, health technology, e-mobility, B2B logistics and media and entertainment sectors.

Start-ups are developing solutions that support populations that are predominantly financially excluded and companies in the internet economy are outperforming other industry sectors. Largely, we are seeing economic growth driven by the improvement in Africa's internet landscape and the increased adoption of mobile technology.

Leapfrogging developmental challenges

A report by InclusiveBusiness.net predicts that emerging technologies can trigger big shifts to help Africa leapfrog some of

its developmental challenges by 2030. These include moving from the digital divide to the digital bridge, as well as transitioning from a wasteful to a circular economy.

The rise of a peer-to-peer economy and power shifting to the individual is also predicted as a result of the data revolution and the personalisation of everything.

These changes have already been set in motion and Africa needs to gear up to take full advantage. Digital-native brands must remain relevant and ensure business sustainability within the African ecosystem.

This means adopting cloud-native technologies to gain flexibility and scalability, securing digital interactions via chat applications and leveraging automation to provide self-service functionality to customers – as efficiently as possible.

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In addition, digital-native brands must improve the CX with a 360-degree view of the customer through a conversational user interface and also gain a single customer view that will enable them to create a more personalised experience at every stage of the customer journey.

For example, data insights can be leveraged to provide a consistent, cross-channel experience that adapts to customer needs and goals in real-time. Personalisation ensures that personal experiences are delivered by showing content, product recommendations and specific offers based on a customer's previous actions, browsing behaviour, purchase history, demographics and other personal data.

Ultimately, enterprises that successfully use customer data insights to unlock revenue growth opportunities will be those that adopt a customer-first approach, embrace the right technology and partner with an experienced solution provider to help them on this journey.

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