

# TBWA Africa Conference addresses changing face of African consumer

JOHANNESBURG: The fifth annual TBWA Africa Conference was held in Sandton, Johannesburg late last week. TBWA's head of strategic planning Mariska Oosthuizen's presentation on "The changing face of the African consumer" focused on market and consumer trends in a rapidly evolving and changing Africa.



In the next 30 years a significant chunk of the world's workforce will be exported from Africa, the youngest and fastest growing population on the planet. By 2040 Africa will churn out a formidable workforce of 1.1 billion, which will surpass the world's current number one workforce, China.

"With 40% of the African population being under the age of 14, Africa's populace is much younger than others around the world. In a couple of decades we'll see young professional Africans making up a significant proportion of the global workforce," Oosthuizen told members at the conference.

## Training for the company

TBWA's Africa Conference, which was previously held in locations such as Durban and Lagos, aims to update and provide training for the company's 38 offices on the African continent on global tools and new methods among other things in the African and global advertising, marketing, branding and PR networks.

"It's an opportunity for the different MDs and creative directors to be brought up to date with what's going on in the industry in Africa and around the world. It allows the company's different offices around the continent to connect, build relationships for new business opportunities and to inspire each other. It's also about getting people in disparate geographies, with different tongues and backgrounds, to speak the same language and engage in the TBWA culture of disruption and media arts," says Rick de Kock, director of Africa operations at TBWA\Africa.

"There's a big emerging middle class in Africa," Oosthuizen says, "According to the McKinsey "Lions on the move" report, in 2008 consumer spending on the continent amounted to US\$860 billion and it's predicted to rise to US\$1.4 trillion in the

next nine years."

Good news is that 50% of African households will have disposable income, with 90% of the population spending 50% of this on food and consumer goods. These positive predictions make Africa a very desirable market for local and international brands that will be vying for the African consumer who will become more demanding and sophisticated because they will have buying power and so much more to choose from.

## **Pursuit of happiness**

However, because of daily stresses and pressures, the African consumer is constantly "in pursuit of happiness" and they are drawn to brands that bring fun and cheer to their lives. People are becoming more optimistic and attracted to feel good brands such as Coca Cola, which has successfully tapped into this market with its "Open Happiness" ad campaign says Oosthuizen. Globally Coca Cola has taken this a step further by sending branded trucks to the streets. These trucks dispense Cokes, soccer balls and even balloons, which put a smile on people's faces on the street. "By giving things away for free, consumers feel they are getting more from their favourite brands all the time," she adds.

Oosthuizen also stressed that African women are becoming increasingly powerful. They control a lot of consumer spend and make most of the household purchase decisions. Women still see themselves as the primary caretaker although a lot more men are now also taking on more responsibilities in the home. Women are more empowered and educated (38% of sub-Saharan African women enrolled at tertiary institutions in 2005), but this means that they also experience more pressure and they have less time on their hands.

There are presently a lot more women in parliament across Africa. Half of the Rwandan parliament consists of women, Mozambique has 35% of women in parliament and 33% in South Africa compared to only 17% in the US.

Interestingly, 85% of brand purchases are made by women. Brands are developing products specifically for women but only 3% of advertising agency creative directors are women.

## **Similarities in global trends**

According to trendwatching.com, consumers and brands in emerging markets like Africa are "rapidly getting wealthier, more sophisticated, more mobile and more educated, which leads to an abundance of confidence, enthusiasm, creativity and entrepreneurialism". Trendwatching says that trends in emerging markets are not that different from what's happening globally. There are a lot of similarities in trends and everything's connected because of globalisation of the internet.

Some discovered the web on a desktop in its infancy and now most have access to it via mobile phones. Africa had 316 million new mobile subscribers in 2000 and the number is rising. Mobile penetration on the continent is 37%, while 11.4% of the population are internet users. There's an off the mark perception in the international arena that the adoption of technology is lagging, but the opposite is true especially in countries like Nigeria. And brands that are behind the times will struggle to keep abreast with Africa's new wealthy, educated and techno savvy/ digital consumers.

Even though there is sustained economic growth on the continent, poverty is still a factor for many with 61% of Africans living on less than US\$2 (R13.35) a day. "Poverty is a reality but also an opportunity," says Oosthuizen. "Consumers at the base of the pyramid represent great potential and should not be viewed by brands as poor or cases for charity. These are valuable consumers who should be respected and treated with dignity. Marketers and brands need to woo them and develop innovative ways to engage and communicate with them."