

Teaching business success in emerging markets

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Doing business in emerging markets takes more than marketing know-how. UCT GSB strategic marketing short course gives modern-day marketers the lowdown on what it takes to succeed in the world's fastest growing markets.

Today's business leaders are eager to share in the growing potential of emerging markets. In Africa - one of the most talked about markets in global forecasting - that potential has never been richer.

Seven of the world's top-10 fastest growing economies will be African by year's end, according to the International Monetary Fund (IMF). And with growth forecasts for Kenya raised to 6% by the World Bank this March, there are sure signs the continent is on a growth path.

But gaining consumer confidence in these markets, and with it, business success, comes down to a carefully crafted strategic marketing plan. These plans must take into consideration the unique challenges of these economies.

"With a rapidly growing middle class, emerging markets are drawing the attention of marketing leaders seeking to tap into new consumer spending power," says Geoff Bick, professor of marketing at the University of Cape Town Graduate School of Business (UCT GSB).

"As in any marketing situation, those leaders will need to understand the basics, how to build relationships and how to provide offerings for those consumers. But, they will also need to understand the challenges inherent in emerging markets."

Bick, who convenes a course on Strategic Marketing in Emerging Economies (SMEM) at the UCT GSB, describes these markets as straddling the first and third worlds. There is great potential, but with it comes challenges in everything from logistics to brand awareness and ethics.

"When you enter the emerging markets, not only do you need to overcome issues such as a lack of infrastructure to get your distribution right, for example, but you also need to consider social responsibility," Bick says.

The four-day SMEM course is targeted at marketers and executives with a marketing portfolio, who want some of the latest marketing thinking. It offers insight into the practical side of marketing, including strategy development, measuring metrics, brand development, digital marketing and new media. Developed in partnership with the Chartered Marketer Preparation workshop, it also prepares those seeking to take the Chartered Marketing Board exam.

Learning from real-life examples can help today's marketing managers overcome the learning curve. In the SMEM course, Bick describes in-depth case studies from multinational brands that have established a footprint in emerging markets, and have solved various logistical and other challenges.

Case studies include that of Coca-Cola in East Africa, where overcoming challenges in distribution had the two-fold result of improved delivery and job creation. According to Bick, the soda giant struggled to establish adequate distribution channels in the densely populated region due to poor infrastructure and transport options.

Turning finally to micro-distribution centres, or MDCs, Coca-Cola established locally run franchises that managed product delivery using alternative methods, such as by bicycle. Supported by Coca-Cola, the MDCs are owned by entrepreneurs who work on an 'informal' franchise basis with bottlers. Once an MDC is up and running, owners can earn as much as \$20,000 a year, and each one provides income for at least five employees.

"These examples from real-life organisations with real-life challenges give one an understanding of the challenges of working in emerging markets," says Bick. "They also help sensitise professionals to local issues, such as unemployment, so they can have them on their radar when they are developing marketing plans."

They also show the value of connecting your marketing strategy to social progress.

"The pressure to be accountable in business is not just a symptom of hard times; it is a permanent shift that requires new approaches, tools and skills," he says.

Bick says Coca-Cola and others have demonstrated the value of adapting modern marketing strategies to the needs of emerging market consumers.

"Delivering customer value is paramount, and an organisation's behaviour is as much a part of the value equation as the products and services it provides," he says.

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