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# Expanding your brand across Africa

By Nonye Mpho Omotola

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Many companies talk about expanding into Africa. It's the next obvious frontier. However, it would be wrong to assume that a week's visit to Nigeria for example, with a population of over 160 million and 350 ethnic groups with twelve languages, will give you a true understanding of how to operate your brand in that market.

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With global economies declining and emerging economies on the rise, it appears that the second gold rush to Africa is fast becoming a highway for global brands. Everywhere you'll see headlines about investing in Africa.

Gross Domestic Product (GDP) on the African continent has been growing at a fast pace of 5% with Nigeria, Ghana, Mozambique, Tanzania and Angola as key target markets and it was recently announced that 5% of Foreign Direct Investment (FDI) from South Africa has gone to the African continent.

There are opportunities for growth and return on investment on the continent, as successful expansion of brands into the continent such as Woolworths, Mr Price, MTN and Shoprite can certainly testify.

Businesses however cannot simply adapt the same business or communication strategy for each African country unless they are aiming for failure. If they do, the risk is being called an arrogant post colonial opportunist.

## Promoting inter trade on the continent

There are challenges of building and sustaining a brand in these markets and whilst it is increasingly obvious that brands must have an African expansion strategy for growth and increased profit, it is also important that the tightened policies which govern tax, immigration and employment laws, should be constructive enough to promote inter trade on the continent.

This is where the free trade area (FTA) due to be complete by 2015 will be of huge benefit promoting integration, infrastructural development and intra regional trade for members.

## Your Africa strategy

Africa is a large continent of 54 countries each with diverse cultures - so challenges such as language barriers, political instability, location, corporate governance, currency differences and poor infrastructure can be costly and hamper operational goals. In the same vein it provides opportunities for development and growth for those with sound business acumen and a huge appetite for risk.

Your Africa strategy has to consist of sound qualitative and quantitative research, supported by strong macroeconomic indicators and a unique differentiator which sets you apart from competitors.

You will need to identify policies and legalities that govern the particular business environment and understand your target market fully, knowing the different segments, their lifestyles, disposable income, purchasing and product use behaviour especially when it comes to the rise of the middle class in emerging markets and the large mass market.

How people spend their money and their psychographic differences, won't just depend on how much they earn, as factors such as infrastructural challenges, like no electricity and the use of generators have a huge impact on lifestyle and brand/product choices.

## Respecting locals

Your brand values and commitment to growth must include the use of local intelligence, local operations, local staff and consumer insights. These are key to success in addition to the acknowledgement of cultural nuances, as building relationships is critical but acknowledging respect for the locals is even greater.

Companies doing business in Africa need strategic plans indicating product offering, intended value to the economy, brand positioning, intrinsic values, employment opportunities for the locals, training and social responsibility plans so as to induce brand endearment.

Your African brand strategy must represent something in the hearts and minds of your consumers and be consistent so as to gain their trust and loyalty.

If you get this right you will indeed build and sustain a long brand relationship in each market you choose to operate in.


ABOUT THE AUTHOR

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