# Exploring consumer growth opportunities in Sub-Saharan Africa

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# Africa will become an important retail and consumer market

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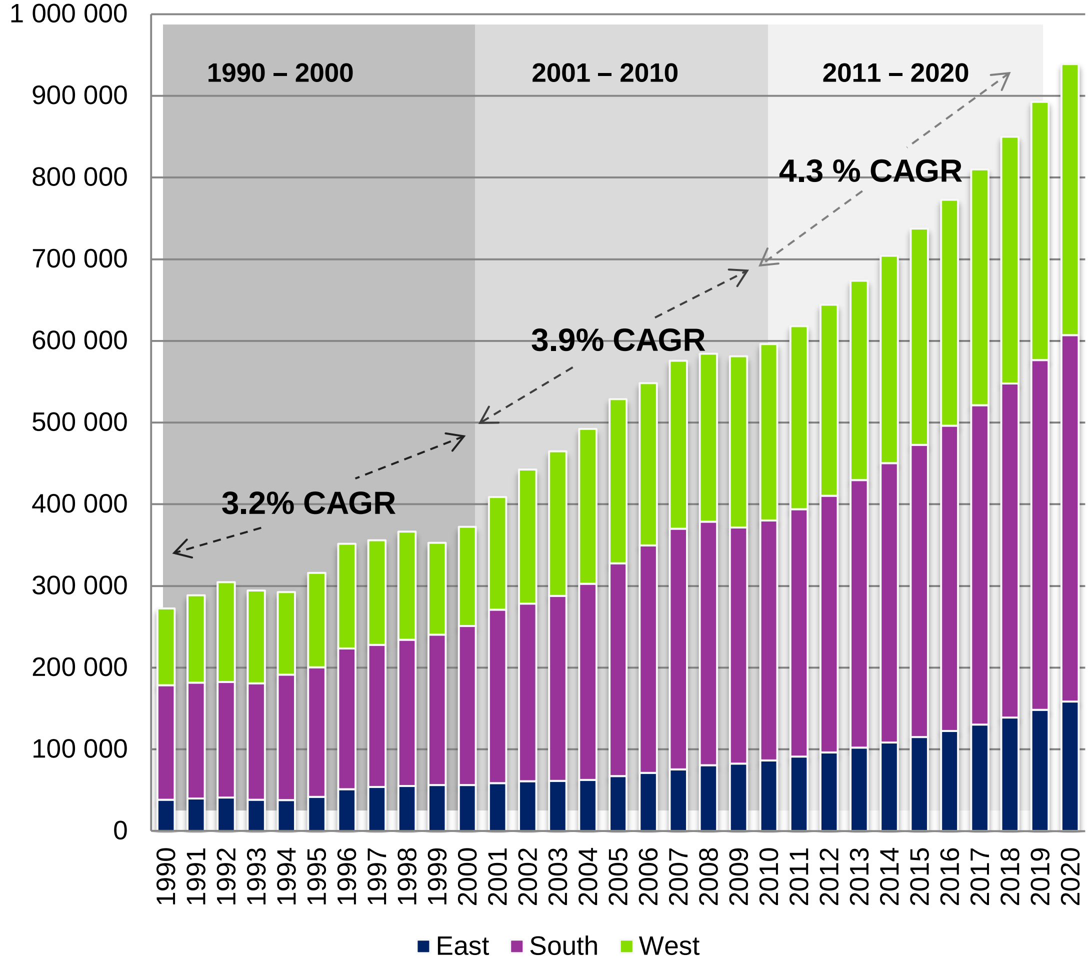
**The key question is how long will the market take to develop viable commercial scale?**

# Consumer spending will reach nearly $1 trillion by 2020

## Africa Consumer Expenditure ($m historic and forecast)*




Historic/ Forecast - US$m at constant 2010 prices, fixed 2010 Exchange Rates
Source: Euromonitor 2011, Accenture 2012

# Seven key trends will underpin consumer growth …

- **Growing working age population**
- **Rapid urbanization**
- **Rising incomes**
- **Changing consumer behaviors**
- **Mobility**
- **Improving business terms**
- **Easing trade conditions**

# Nine countries will make up 72% of consumer spending in SSA in 2020

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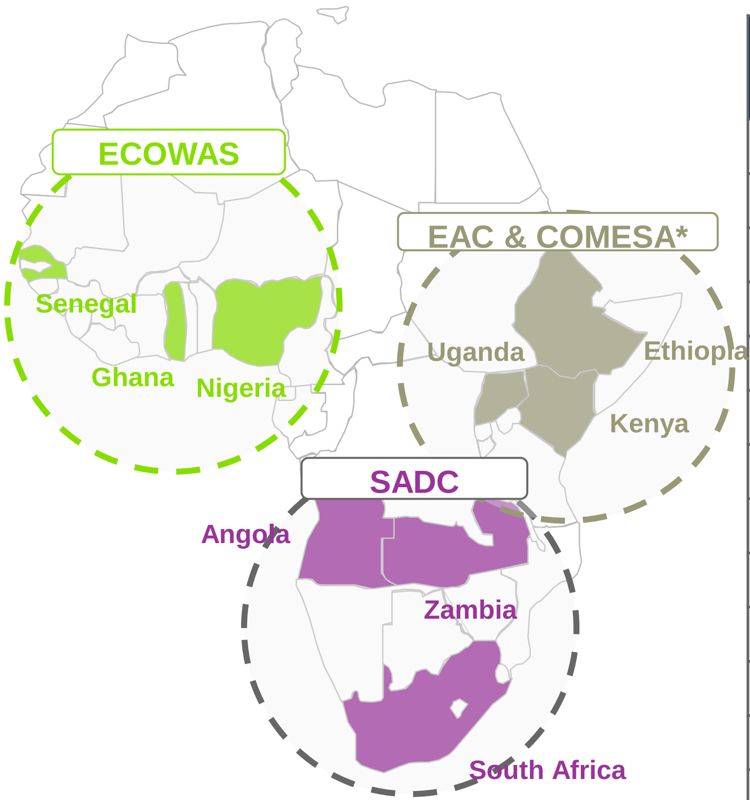
## Key Africa Consumer Markets




| Key Countries | Population 2009 | 2010 Spend | 2020 Spend Forecast |
|---|---|---|---|
| Kenya | 40m | $ 23bn | $ 37bn |
| Ethiopia | 83m | $ 20bn | $ 43bn |
| Uganda | 33m | $15bn | $ 30bn |
| EAC & COMESA | | | |
| | | | |
| Nigeria | 151m | $ 115bn | $ 167bn |
| Ghana | 24m | $ 15bn | $ 29bn |
| Senegal | 13m | $10bn | $16bn |
| ECOWAS | | | |
| | | | |
| South Africa | 49m | $ 215bn | $ 315bn |
| Angola | 19m | $ 14bn | $18bn |
| Zambia | 13m | $ 10bn | $ 23bn |
| SADC | | | |

*Source: Euromonitor Africa Consumer Spending 2010, Accenture 2012

# Purchasing power and brand preference define segments

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1 

## Basic Survivors

- Largest consumer group
- Low and erratic income consumers

2 

## Working Families

- Second largest consumer group
- Multiple income households
- Strong focus on children's needs

3 

## Rising Strivers

- Emerging from lower segments
- Building purchasing power through growing income and access to credit and savings

4 

## Cosmopolitan Professionals

- Limited work and leisure travel but set to grow
- Value pragmatic products but are brand conscious and influenced by the media and role models

5 

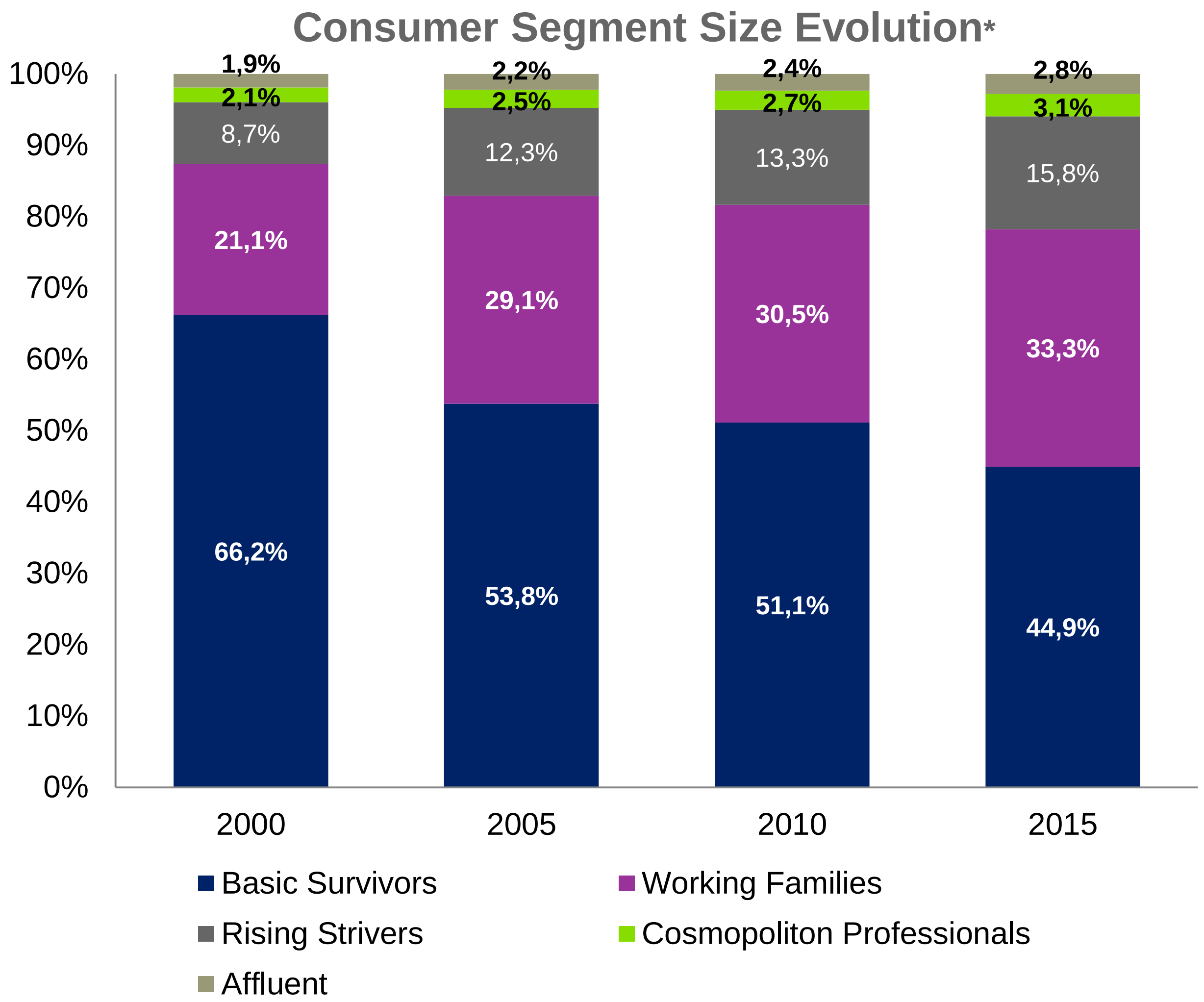
## The Affluent

- Disproportionately high purchasing power
- Wealthy by global standards

**Segment growth is driven directly by demographics!**

* Source: Accenture 2012

# The shift to relative affluence ….




**…will see increasing numbers of people move into higher income segments as poverty declines**

* Source: Canback 2010, Accenture 2012

# Key considerations to targeting consumers in Sub-Saharan Africa

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- Resources will continue to drive economic growth and consumer demand
  - But will shift to a consumer led economy
- Rate of wealth growth will accelerate to increase consumer movement in higher income segments
- Wealth is spatially aggregated across countries and cities
  - But growth will begin to centre on regional integration leading to larger markets
- There will be a time lag from investment to profit as key enablers such as infrastructure need to be improved
  - Investment in infrastructure is critical to realizing growth potential
- Brands will remain critical so investing to build brand presence now will create a gap that will be hard to close