

What do an umbrella, a shark and a house plant have in common?

 By [Louise Marsland](#)

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The influential Consumer Goods Forum was held in Africa for the first time, 15-17 June 2016 - and naturally, the focus was on doing business in Africa. These are the top 10 retail and consumer trends that investors have to take a note of, that were raised at the summit:



Image by 123RF

1. Disruption of everything

Disruption was the theme of this, the 60th annual Consumer Goods Forum summit, held in Cape Town this time. And the point about disruption, is that you cannot choose not to be there, said Anders Svensson, CEO of Swedish retailer, ICA Sverige, on the point of adapting business for a radically different world. "For companies the true value comes from leveraging actionable insights... how to turn data into action."

2. Revolution of now

IoT is driving a real revolution that is starting round about now and will change the way we live, the way we see the world, how our companies are run. "It is not about doing things as we did all along, but about transformation, new services, values... and we will need to change our business models to get there," Christophe Beck, Ecolab vice president, said. He describes IoT as "a development of the internet in which everyday objects have network connectivity, allowing them to collect and exchange data... and hopefully create additional value".

“IoT has transformed our company, our experiences and our learnings. By 2022, IoT will yield massive amounts of data, connecting practically everything.” Including, says Beck, referencing a WEF video about a shark in the ocean, your umbrella and a house plant – to gather data about shark feeding patterns; the weather; when to water your plants...

“All types of devices will be able to share info, organise themselves, make opportunities – but it depends on us to take advantage of them, or let them take advantage of us!”

3. Death of planning

As far as the technological revolution or this ‘4th Industrial Age’ is concerned, “it’s a train that has left the station, and it’s going very fast”, said Beck, who said 18 months was the furthest any business could plan for innovation or disruptive factors. “We don’t know what happens after that. It has to be about delivering value every month, every quarter, every year.”

4. Talent wars

There will be wars over talent in most industries, but particularly in the retail sector, said Vivienne Ming, co-founder of Socos. Millennials also worked very differently, Ecolab research found, and needed to be nurtured differently in the work environment.

5. Shrink to grow

Tiger Brands chief marketing executive, Brenda Koornneef recounted the case study of how Tiger Brands used analytics to optimise their SKUs (Stock Keeping Units), cutting brands, SKUs, and redefining the categories they were in. The result was a leaner organisation, less complexity, better ability to execute on shelf, higher growth and better profitability.

6. Emerging markets for growth

Steve Matthesen, global president, retailer services, Nielsen, put paid to the myth that emerging markets have run their course and are not a source for growth any longer. “Emerging markets will still provide the fastest growth opportunity. Take a longer view on emerging markets... the path is not straight up. It’s not easy, but there is lots of room for growth.”

7. Consumer value equation

According to a Deloitte report 'Capitalising on the shifting consumer food value equation', "consumer-led disruptions are compounding the challenges of stagnant growth". Because consumers now have an unprecedented ability to access information about products and share via social media, consumers have also changed the consumer value equation when it comes to product choice. "Historically consumers made decisions based on the traditional drivers of taste, price and convenience. The "evolving value drivers", according to Deloitte, now include: health and wellness; safety; social impact; experience; transparency (an overarching driver).

8. Food security

Large-scale partnerships are being implemented to create a roadmap for developing global food safety capability building projects in a number of key regions in the global food supply network, to combat food insecurity. A far-reaching food safety capability programme will be implemented in a number of key geographies, starting with China, Southeast Asia and Africa before being continued in further regions. In Africa, the project will benefit from a strong UNIDO presence to design and build a joint UNIDO-GFSI multi-country, multi-buyer project for Africa on capacity building.

9. Millennial market

Many speakers at the CGF summit in Cape Town touched on the importance of millennials and how they were disrupting the industry. According to Nielsen, prospects for retail growth in emerging markets were driven by a number of population attributes, including that they are younger, more urban, and relatively wealthier. Currently 24% of consumers in emerging markets are millennials; two thirds will live in urban areas by 2020; and 3.2 billion will be middle class by 2050. "Young people in these markets often moved directly to mobile, many never having owned a desktop computer, therefore retailers would be wise to consider developing mobile shopping platforms," said Steve Matthesen, Nielsen.

10. The new normal...

Disruption is the new normal, said Sir Martin Sorrell, WPP founder and chairman. We have to get used to low GDP growth, low or no inflation, little pricing power, and a high focus on costs, he said. And in this "disruptive world", Sorrell explained that disruption was not just about the sharing economy; but about robotics, 3D printing, even flying cars... (Google founder Larry Page has apparently invested in two flying car companies). Change is here and those that don't transform their organisations and their businesses, will cease to exist or be relevant, as speaker after speaker warned.

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