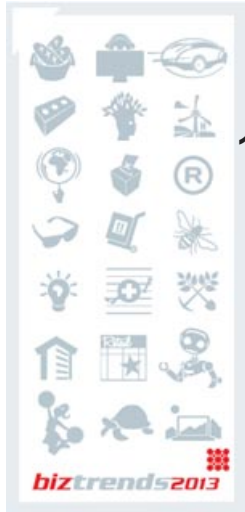


Africa poised for a great future

 By [Nandkishor Buty](#)

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As 2013 commences, afro-pessimism seems to cede to afro-optimism. There is a global consensus: Africa is poised for a great future. What will be the impact of Africa's growth on our industry? What will be the major trends of the year? In the business world, predicting the future is a crucial exercise.



Here are the key trends that will shape the industry and have the longest lasting impact over the next decade.

1. The rise of digital and social media

Digital media has seen exponential growth in Africa at the expense of traditional media. Consequently, the latter has been forced to rebrand itself and translate its business into digital form in order to stay relevant.

The internet provides umpteen avenues for the young population to connect: Nigeria doubles its Facebook population every three months and Kenya is among the top three tweeting nations. Digital media is a platform young people understand and subscribe to. Brands have realised they can reach a targeted audience through this medium.

Despite this shift to digital, many companies are still relying on traditional methods of advertising, as only 2% of the US\$550 million spent across the three major countries in East Africa for advertising last year were spent on the digital media platform (Source: Capital FM Kenya News Report).

However, this trend is about to change as more brands are embracing digital and social media to reach out to their consumers. Safaricom is leading the charge: the telecommunications company is ranked seventh among the top most socially devoted brands in the world, according to a recent study.

2. The convergence of the mobile and digital world

70% of Africans have experienced the internet for the first time on their handset: it's the norm (Source: Global mobile statistics 2012).

Activities such as blogging and social networking are fast gaining momentum as over half of those in Kenya (55%) and Tanzania (50%) have written their own blog or forum entry, compared to only 32% in the US (Source: Digital Life, a global research project into people's online activities and behavior).

In Kenya, mobile users spend on average 3.1 hours per week on social networking sites. Eighty four percent of consumers expect their use of social networking to increase in the next 12 months and are looking at their mobile to do so. Kenya has one of the most active and rapidly growing online population - not just in Africa but in the world. Today, about one in every three Kenyans is connected to the Internet through his mobile phone (Source: The East African).

Africa leads the Mobile money transfer revolution and the m-commerce rise will continue in 2013. According to sources ([Mobile Money Africa](#), [The Citizen Tanzania](#), [UNCTAD](#)), at least US\$1.05 billion (more than Sh1.7 trillion) is transferred monthly through mobile-money transfer in East Africa, which is more than what Western Union manages globally.

In 2013, Africa will embrace the mobile digital world and brands will strive to create advertising campaigns tailored for this new form of media.

3. Managing Africa in clusters

Africa is an economically growing continent with a mammoth size. It is hugely diversified with its 54 countries, 2500 languages, over 3000 ethnic tribes and tremendously diverse cultures.

Global brands such as Unilever, Coca-Cola, Airtel, and Barclays are coming closer to consumers and adopting the cluster model of efficiency. This model allows proximity to the consumer, but also maximises efficiency for their dollars. Equatorial Africa, ECABU (East and Central Africa Business Unit), and BNLS (Botswana, Namibia, Lesotho, Swaziland) are some of the clusters that brands operate from.

4. The growth of the B-brands

In a number of sub-Saharan markets, there is an incremental growth of local brands successfully challenging the multinationals. During the past five years, the B-brands have approximately gained 15% share from the market leaders, mostly in the beer and the FMCG category.

This trend will even grow stronger in 2013. The tech knowhow, better infrastructures and the economic boom will enable local brands to thrive against multinational competition.

5. Television - the medium of the future

2013 will see the advent of local programming in a big way. Content generation with locally produced, relevant programming will take the TV industry by storm. The two-hour slot post the evening news, which is currently ruled by international soaps dubbed into local languages, shall be replaced with local programming.

6. Survival of the fittest

In 2013, corporates with deep pockets and sustaining power will rule.

Particularly in the advertising industry, the trend has been for smaller agencies to crumble under financial pressure and ultimately sell out to the larger agencies. While the industry is gaining momentum, it still needs to battle with its day-to-day issues and those who have the staying power shall be the ones to play in the long run.

Clients still don't pay on time; multinational brands need governance and transparency; media inflation is high; compliancy is poor; quality resources are expensive and hard to get. These problems will persist in 2013. Agencies with good governance, strong financial muscle, scale, and a large footprint will survive.

7. Afrocentricity

Consumers cannot be clustered in groups anymore, as each individual is different and needs to be catered to differently. Africa needs locally relevant communication more than ever.

In 2013, brands and communication agencies will place more emphasis on Afrocentricity because they have realised that Africa's one billion-strong population deserves individual attention. Advertising campaigns developed outside of the African continent will be a thing of the past.

8. Here comes the youth

While the world is ageing, 40% of the population of Africa is under the age of 15. By 2040, Africa will be home to one in five of the planet's young people. This is the trend which will cause the big change that will affect how brands view their marketing strategies.

2013 will see more brands adopt a youthful tonality in their communications. The tone will be edgier, vibrant and energetic.

9. 720 degree communication

Move over, 360! 2013 will see the merge of different ATL and BTL activities. The convergence will enable brands to anticipate what the consumer wants and deliver products and services that satisfy their needs.

Advertising on traditional media now needs to be supplemented by digital, social, experiential, and shopper marketing for a complete delivery.

With the expansion of mall culture, greater emphasis will be placed on the in-store experience and marketing activities aimed at the shoppers. 2013 will see a strong movement towards creation of a more enjoyable and interactive shopping experience and brands will compete on the shop floor as they compete through mainstream media today.

10. Value-based compensation

2013 will see the dominance of value-based compensation for agencies. All global brands are adopting this method of agency evaluation and remuneration.

With value-based compensation taking over, agencies will strive to make money through retainers and every dollar of revenue they will make will be deservedly earned.

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