

African brandcrafting: an opportunity for growth

 By [Chris Human](#)

13 Sep 2013

MTN, Absa, the Nigerian National Petroleum Corporation (NNPC), Eskom and Shoprite.

These are Africa's most valued brands according to the last [Brand Africa 100 awards](#). Taking a look at the top 25 brands in this survey, South African household names crack just over half the list, followed closely by Nigeria. Kenya just makes the cut with one brand featuring on the list.

When it comes to international surveys, however, African brands have some way to go in realising their full potential. At this point there isn't a single African brand in Interbrand's authoritative 2012 [Top 100 Global Brands](#) and the only one in [Millward Brown Brandz Top 100 for 2013](#) is MTN (at number 79). The good news? Things can only get better (and we believe they will).

Retail and wholesale leading the way

So what does this apparent lack of strong African brands mean for us Africans? The more gloom-inclined among us may be of the view that this is Africa - a continent doomed to a continuing role as global resource pantry for more developed countries to import, process, brand and sell back to us at a price.

Indeed we encounter that perspective frequently, but it's a fatally flawed view in our opinion - one that ignores inevitable market forces, growing African pride and... of course, spending power.

A report compiled by global management consulting firm by McKinsey & Company recently found the retail and wholesale sector to be the 2nd largest contributor to African economic development.

At Engage Brandcraft we see real opportunity for African development in the brandbuilding space as a result. And there are some great emerging success stories on the horizon - Uganda's [Good African Coffee](#) being one case in point.

Our feeling: as African economies move into the frontline in terms of economic growth, it's time for African brands to start moving into their share of the limelight and this will require exciting new models and methodologies.

Consumer brands on the rise

For one thing it will mean creating engaging and relevant new African brands that stand for more than just their 'Africanness'. With consumer tastes shifting to authenticity, innovation and responsibility, the timing seems serendipitous.

But it will also mean place branding: building more positive associations with categories of African products and services as a whole, both among global and African consumers.

Banks, energy and telecoms aside, there are some high-engagement luxury consumer brands rising up amidst our Northern neighbours. E-commerce site [Jumia](#) is busting through borders (across Nigeria, Kenya, Morocco and Egypt) and is now Nigeria's number one online retailer. Jumia recently held the first ever e-commerce conference in Nigeria, which saw influencers and decision makers coming together to discuss the opportunities that e-commerce holds for the Nigerian retail market. Definitely something worth keeping an eye on.

Then there are the creative industries. South African label, [Triggerfish Studios](#) recently (and successfully) delved into global animated film markets with *Adventures in Zambezia*, and will soon follow with *Khumba*. The computer-animated comedy-drama adventure film has enthralled audiences around the world and pulled a non-laughable 224 Million ZAR.

African fashion brands and other players in the design space are also turning heads and claiming their share of the limelight - for example Eki Orleans and Omoyemi Akerele in Nigeria have been getting great press abroad. If influential trend forecaster Li Edelkoort is to be believed, creative industries are going to play a key role in Africa's future economic positioning.

Furthermore minerals and agriculture are fields typically associated with 'commodities' like tea, coffee, gold and cocoa but here too the ability for brands to add value and back-story shouldn't be underestimated. By processing and branding these in Africa, valuable brands are being created that can be exported by local African companies after the bulk of the value chain has been realised. (If you didn't click the link above, it's worth a look: [Good African Coffee](#))

Challenges in Africa

Now all this is not to say that the road ahead isn't fraught with challenges. The lack of viable Afro-applicable brandbuilding models is one, but perhaps the biggest hurdle is the lack of disposable income in local markets has historically put price before brand in building local business.

Put simply, it's difficult to grow a brand if nobody in your country has the money to buy your product. But this is changing fast and here again, there is good news.

An Accenture report on the African consumer market shows that since 2000, consumer spending in Sub-Saharan Africa has grown at a steady 4% per year, reaching nearly \$600 billion in 2010. The market is expected to be worth \$1 Trillion by 2020.

According to the report, the most significant contributors to growth are changing, with less reliance on exports and more reliance on domestic demand that is giving rise to an emerging middle class who will become more demanding and more brand savvy as income levels and spending increase.

As that develops, the time is ripe for the emergence of the African Coca-Cola or the African Levis or the African Lindt. Challenger brands like these will have the power to aid in growing continental pride but also to contribute to inculcating a sense of commonality between Africans of different backgrounds and national backgrounds. Even more tangibly though, they will help to drive local business and keep profits here in Africa (where they belong) and contributing to Africa's continued growth.

When you stop to look at the facts and figures and at the recent and growing pool of African brand success stories (and MTN definitely belongs on that list, plus keep an eye also on Discovery and FNB too), things are about to get exciting.

Sectors to look out for

The creative and value added commodity sectors are two spaces to watch, but also keep an eye on other categories,

including private healthcare, education and security. Netcare and Mediclinic are both in the [Sunday Times Top Brands Top 10](#).

The potential power of a strong African brand is massive as African economies grow and trade barriers decline over the long term. Strong African brands have the power to contribute to demand here in Africa and drive positive perceptions of us, our continent and the growing body of innovative products and services that we're creating.

It's time to start taking an in depth look at ways of building credible African brands, which can span across borders and leverage African economic growth in a way that is real and meaningful for African and global consumers alike. Brands that can become a source of pride, a mark of African quality, and crucially, a resource for sustainable African development.

For these African brands to emerge, we need to nurture companies that have the brand strategies in place both on a consumer and legislative level. With the right support and thinking, brands that do well at home can one day become our best ambassadors abroad.

ABOUT CHRIS HUMAN

Chris is a strategist specialising in new brand development and through-the-line (media neutral) communication campaign work. At Engage Brandcraft, he is tasked with the building and implementation of client's brand-building strategies and concepts as well as the development of their respective brand identities and cultures. His cross-competencies in design, strategy, copywriting, and client liaison see him fulfilling a role that is equal parts creative and strategic.

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