

# Youth accounts for nearly two-thirds of Africa's consumer spending

Half of all Africans are under the age of 20, with those aged 16 to 34 accounting for 65% of the entire continent's trillion-dollar consumer spending and with this being the fastest growing continent with smartphone use, advertisers are obsessed by how best to reach them...



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"They read all the time, but not newspapers or magazines," said Craig Utermark, CEO of Cape Town's Atmosphere Orange, a programmatic advertising agency, "but they are all zeroed in, whenever and wherever they can, surfing the social freeways on their phones. It is there that advertising brand managers are targeting them among the noise of millions of gigabytes of information. And it's possible, with the latest technology, programmatic marketing allows brand managers to reach 95% of the sub-Saharan African market with 34 global exchanges, giving us access to 70,000 websites that are relevant to the South African market."

Frukt, an international ad monitoring agency, says that 65% of consumer spending is attributable to young people, not necessarily with buying, but as influencers too of their parents' spending decisions. "Unlike their somewhat spoilt Western counterparts, Africa's Millennial generation is not pessimistic about its future (even with rapidly rising unemployment rates), in fact they are infectiously optimistic about what lies ahead. With the youth population in Africa set to rise faster than any other continent over the next decade, this 'A Generation' is one to watch as the next wave of youth pioneers tap into the country's rich cultural heritage and make their collective voice, and spending power, known."

Frukt said that Africa has "arguably the strongest and most passionate musical culture on the planet", and that is one way to get attention of the A Generation. They say that by 2020 youth will dominate Africa's \$1.3 trillion (or around R180 trillion) consumer spending.

## Incredibly sophisticated

Utermark concurred: "This generation of youths is incredibly sophisticated. The South African Social Media Landscape 2015 report recently revealed that, just in this country, Twitter has 6.6 million users and visual platforms, YouTube and Instagram have had a user increase of 53% and 65%, respectively, over the past year. So our young people, like those across the world, want ads with great visuals, ideally set to a great musical beat, something they can share on social media and be seen as cool by their friends."

The 2015 Youth Psyche report by Branded Youth showed that although social media is important, reposting has lost its allure as young people focus on building their personal brand. "Programmatic marketing, the hottest trend coming from the US and Europe, allows brand managers essentially to look into the heads and hearts of these young spenders," said Utermark. "At present, mobile internet advertising revenues are at R172 million and rising fast with social media accounting

for 79% of that, according to the latest IAB South Africa ad revenue report. They're paying attention to word of mouth on social media, it's having an impact on spending and, in 2014, when we had the highest youth voter turnout yet, we could see it was even having an impact on politics."

## **Young people are visual**

The Youth Psyche report showed that young people are visual and want to feel that an ad has been developed just for them. The Youth Marketing Strategist of Branded Youth, Bradley Maseko, has pointed out that: "Instagram now has 300 million monthly users, picking up 100 million since March 2014. The photo- and video-sharing app has surpassed Twitter's official user count of 284 million. 2015 will see a further rise in visual content being shared amongst youths and this will be aided by the fact that Facebook is also shifting to video due to increased demand."

Utermark said, "Brand opportunity is strongest when it focusses on empowering youths through content marketing, driving conversations with youth influencers who have an audience of people who trust them. South Africans tweet a million times a month, that has amazing opportunities for clever business owners.

"For creative advertising agencies Youth Day offers an exciting reminder of the influence of the young. Backed by the power of digital to enhance its reach and tell a connected, multi-screen and multimedia story across all the different audience generations, brands are using new technologies for big data, especially programmatic marketing, which allows for audience targeting, predictive modelling, optimisation and dynamic creative.

"The future is where it should be, the young are taking control of their destinies and propelling us in amazing and imaginative new ways forward," Utermark said.

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