

# AFRICA'S CONSUMERS

Connected, in Control and Hungry for Convenience



Shopping - love it or hate it, it's nearly impossible to escape the banality or adventure that competes for consumers' precious time. It takes us away from the things we would rather be doing or it can provide immersive and enjoyable experiences.

In our world today, consumers live an increasingly "hyper-connected, hyper-life" - they are more stretched than ever before and are striving to repurpose their time and effort, searching for simpler, easier, more pleasant and purposeful ways of living...including shopping.

In light of this, Africa's retail environment is evolving to meet consumers changing circumstances and shifting priorities, and not only in the direction of e-commerce. Across the retail spectrum, consumers are increasingly in control, increasingly connected and increasingly looking for more convenient and enjoyable shopping experiences to suit their individual circumstances.

This means a new continuum of retailers are emerging to capture shoppers' attention and wallets - new non-traditional, specialist and niche retailers, clicks and bricks retailers, native e-commerce retailers, manufacturers as retailers and consumers as retailers. In Africa, it is said that retail is everywhere and everyone is a retailer....

With growing proliferation and fragmentation of products, retailers and media, the defining retail trends in Africa in 2019 will be:

## TRANCENDING VIRTUAL AND PHYSICAL BORDERS

Connectivity today brings the convenience of hassle free shopping - anytime, anywhere. The combination of existing connected consumers spending more, more often, and newly connected consumers purchasing for the first time will propel e-commerce growth across Africa.

Online retail development correlates strongly with constantly improving internet access, especially in mobile

first markets. The scope for growth in online shopping in Africa is undisputed, and consumers are increasingly willing to adopt 'send-it-to-me' services and more digital elements to improve their on-demand shopping experience.



**Connectivity** - will continue to drive the shift to e-commerce as consumers seek efficiency and access to products beyond home borders.



**Automation** - artificial intelligence and digital home assistants will enable predictive ordering and replenishment via online subscription services, loyalty data and payment technology.



**Actuality** - augmented and virtual reality will equip consumers to virtually and personally 'try out' products - lipstick, paint or furniture - from the comfort of their homes.



**Modest modern trade** - online-first retailers can leapfrog typical evolutionary stages of development, especially as modern trade retail presence is still in nascent stages beyond Southern and East Africa.

## TAPPING INTO TOUCHPOINTS

Omni channel facilities will help provide the much needed "digital makeover" to integrate physical and virtual shopping. Today's off and online purchasing actions rarely happen in isolation, there are now a number of digital shopping activities that precede and succeed the path to purchase, even for physical stores.

These actions help to inform decision making; add value, transparency and interaction; and ultimately lead to better buying experiences for consumers.

Omni channel services are an imperative, and for sustained success, retailers need to leverage their consumer relationship information (via their rich datasets and loyalty) - with the right technologies, and a strong focus on convenience - to expand their consumer touch points.

## Circumstances, culture, location, market maturity and technology will be key influencers and important considerations when tailoring solutions for different segments of Africa

- Online and offline touchpoints will bridge the gap between physical and virtual worlds with pre, during and post shopping interaction
- Searching online for product information, offers and availability is often the start to the shopper journey. It is vital for physical retailers to incorporate these elements into their offerings and interaction.
- In-Store apps and WiFi access for in-store deals and availability will help build relationships and in store engagement
- Serve in-the-moment store promotions to reward shoppers

### SMALL IS SMART

Physical shopping experiences are already changing within brick and mortar formats - smaller stores are outpacing the growth of large stores and gaining share of shopping frequency.

Smaller stores often already have the advantage of proximity and are well placed to optimise their products and services, beyond daily essentials and snacks.

Stores located along busy traffic routes that provide efficient in/out and click and collect offerings will grow in popularity.



**Value Added Services** - fresh and prepared food, click 'n collect options, pharmacy, health, home delivery and meal kit services will entice consumers into stores.



**Technology** - checkout, walkout, self-scan amenities will improve speed and efficiency.



**More meaningful small stores** - leverage their locations with expanded convenience ranges and product assortment beyond snacks and essentials to match consumers more immediate needs.



**Niche and Pop up formats** - ice cream, holiday, seasonal, fresh spots provide much needed innovation and experience encounters to encourage trial.

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But no matter where or for whom, online or offline, consumers are seeking more efficient and enjoyable shopping experiences. Large, small and virtual stores need to be infused with positive, sensory encounters, relevant services and technological capabilities that provide ease, utility and simplicity.

In providing these elements, shopping solutions and experiences can enable more fulfilment, enjoyment and balance in people's busy lives - where time is fast becoming the new currency.

Manufacturer, Retailer, Technology, Media and Service brands have a vital role to play in providing an overall experience with easy-to-use, automated, intelligent and digitised options for every conceivable shopping item, incident and interaction.