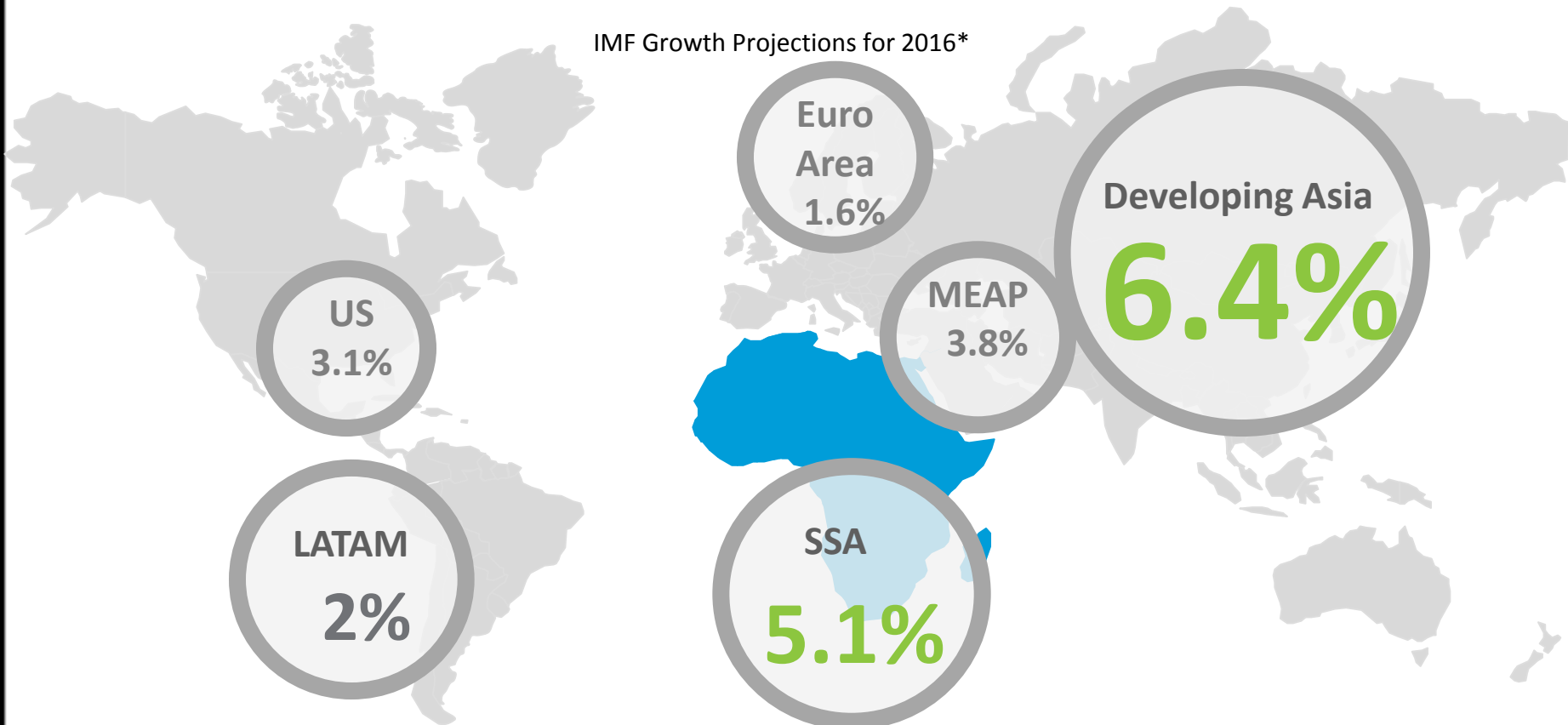


nielsen  
.....

# Consumerism as a Growth Determinant in emerging World Economies

# ECONOMIC POWER IS SHIFTING FROM DEVELOPED WORLD TO THE EMERGING MARKETS




**Nigeria-Africa's largest economy is expected to grow by 5% in 2015 and by 6% in 2016\***

Source: IMF April 2015, World Economic Outlook Report

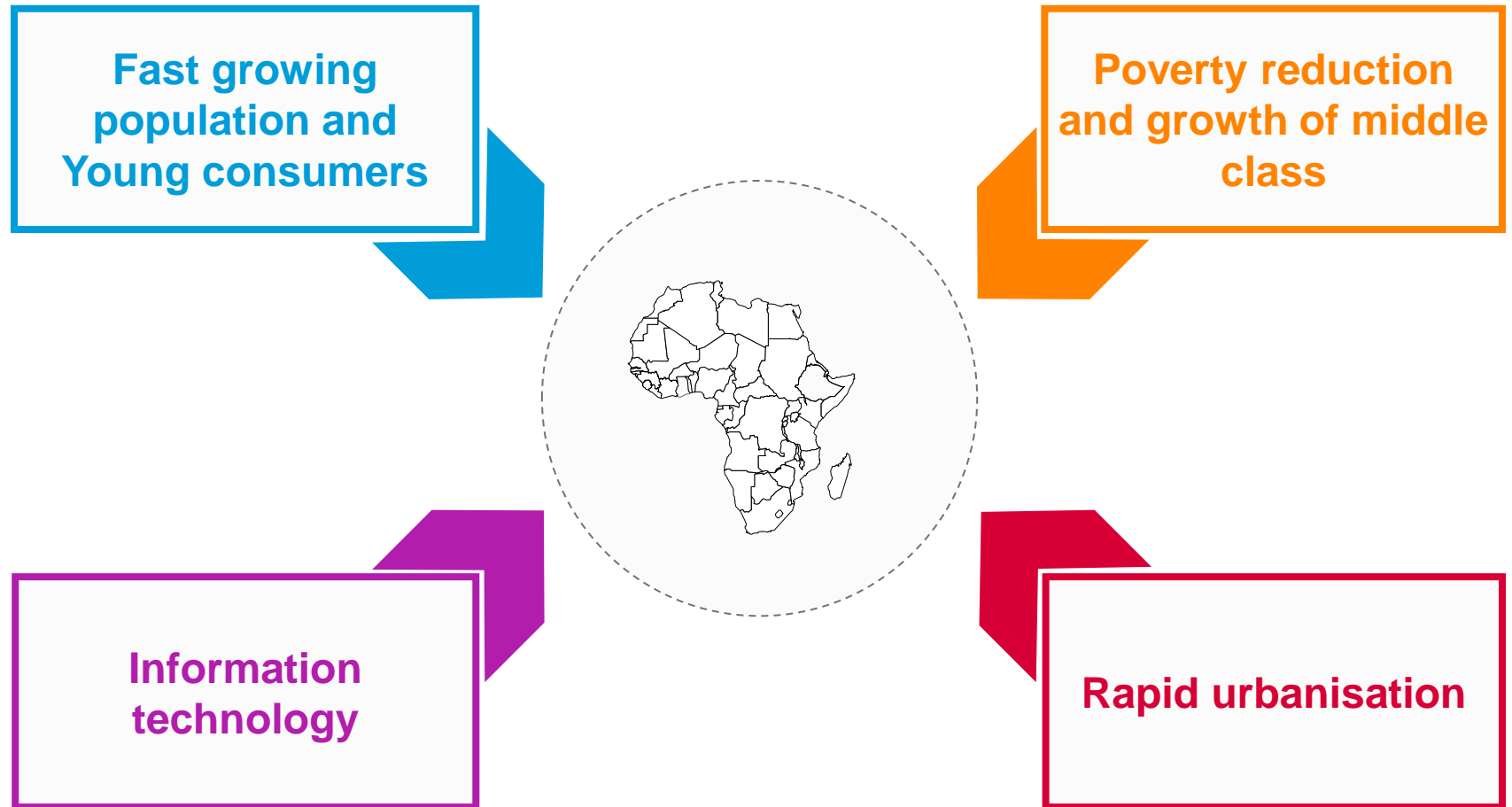
MEAP- Middle East, North Africa, Afghanistan, and Pakistan.

\* [http://www.africaneconomicoutlook.org/fileadmin/uploads/aeo/2015/CN\\_data/CN\\_Long\\_EN/Nigeria\\_GB\\_2015.pdf](http://www.africaneconomicoutlook.org/fileadmin/uploads/aeo/2015/CN_data/CN_Long_EN/Nigeria_GB_2015.pdf)

An abstract graphic on the left side of the slide features a sphere-like shape composed of a dense grid of thin, colorful lines in shades of blue, green, yellow, and red. Several small, solid-colored dots (yellow, green, purple, red) are scattered across the grid, with thin lines extending from them towards the right edge of the frame.

**“Africa is gradually shifting towards a social and economic order and ideology that encourages the purchasing of goods and services in ever increasing amounts”**

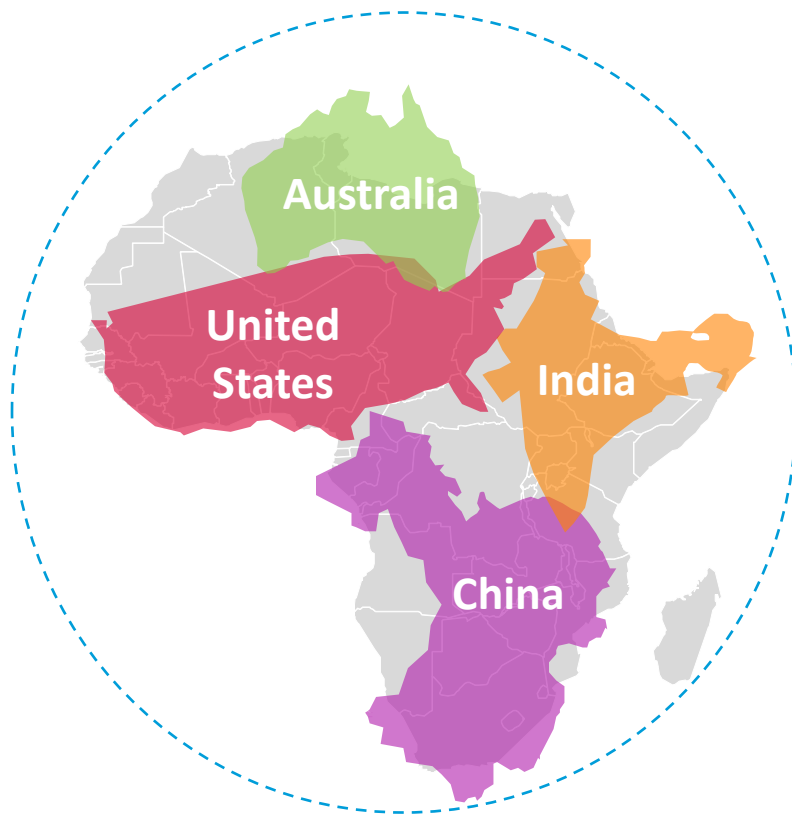
# FORCES DRIVING CONSUMERISM IN AFRICA



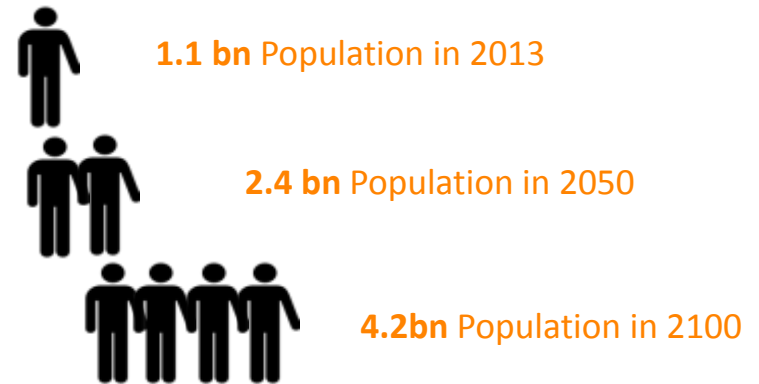
# AFRICA – A LARGE AND GROWING MARKET

With a rapidly growing population, abundant natural resources, and a fast growing economy, Africa has great potential to transform into a global economic powerhouse.

23% of worlds land area<sup>1</sup>



Fast growing population @2.5% per annum<sup>2</sup>



Fast growing economy @ 5.4%( Avg. 2005-2013)<sup>3</sup>



Source:

1. The World Bank Africa Development Indicators
2. [http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Tracking\\_Africa%E2%80%99s\\_Progress\\_in\\_Figures.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Tracking_Africa%E2%80%99s_Progress_in_Figures.pdf)
3. <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Africa%20in%2050%20Years%20Time.pdf>

# WITH A GROWING ECONOMY AND A LARGE CONSUMING CLASS, NIGERIA WILL BE AT THE FOREFRONT OF CONSUMERISM IN AFRICA

## Nigeria Today

The largest economy in Africa and the 26th largest in the world . **GDP of \$510billion**. Only 14% of GDP is from resources, with retail and wholesale trade the biggest drivers of GDP growth

Almost **40 million Nigerians in consuming-class** households

## Nigeria tomorrow

A 7.1% annual GDP growth could make Nigeria a top-20 economy in 2030, with

**GDP of more than \$1.6 trillion**

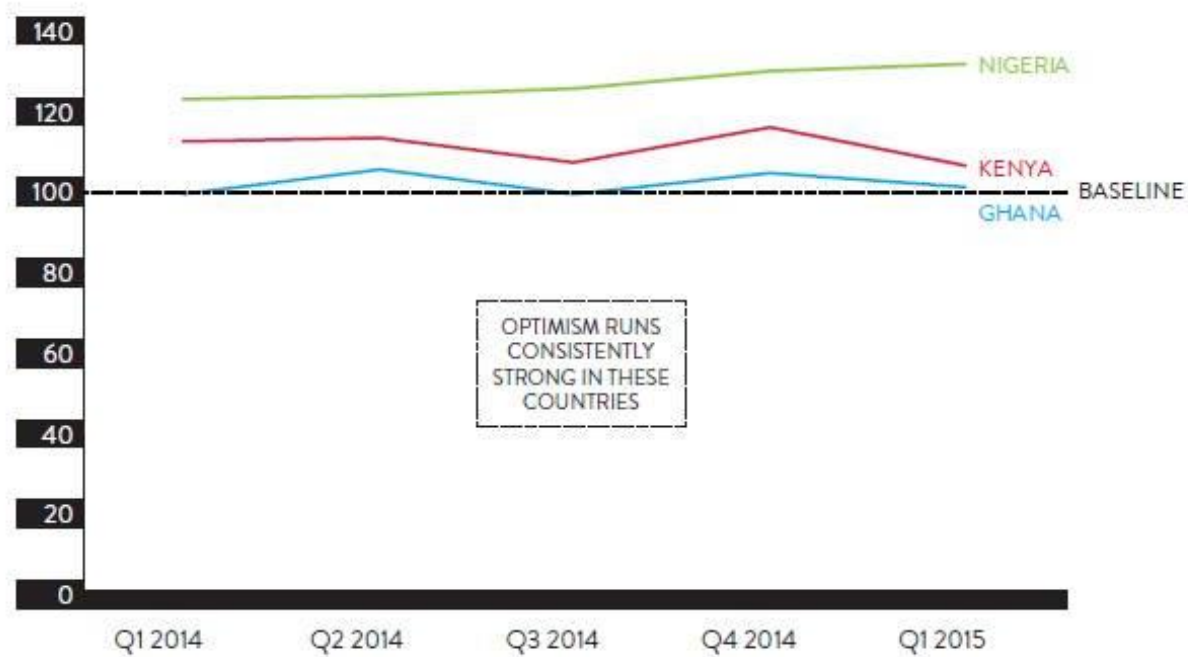
**160 million people in consuming-class** households

# AT AN INDEX OF 129 CONSUMER CONFIDENCE IN NIGERIA IS THE SECOND HIGHEST IN THE WORLD

India with an index 130 tops the list of global consumer confidence index.

## CONFIDENCE REMAINS ABOVE-THE-BASELINE FOR NIGERIA AND KENYA

### YEAR-OVER-YEAR CONSUMER CONFIDENCE TREND IN SUB-SAHARAN AFRICA MARKETS



Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q1 2015  
Sub-Saharan Africa countries use a mobile methodology

# TRADITIONAL TRADE DOMINATES BUT MODERN TRADE IS GRADUALLY EXPANDING



Nigeria's retail sector is largely driven by informal trade in the form of Kiosks, hawkers and open markets.

The influx and investment of retail chains has however boosted modern trade growth in last couple of years.





# The changing landscape in Nigeria



# AFFLUENT LIFESTYLE OF THE MIDDLE CLASS IS DRIVING DOMESTIC CONSUMPTION

Durable Ownership	2011	2015
Colour TV	86%	99%
DVD player	63%	87%
Refrigerator	50%	43%
DSTV	31%	40%
Home theatre System	-	26%
Cooking stove- GAS	-	20%
Laptop / PC at home	17%	15%

From traditional trade shoppers to...



Modern trade and online buyers



Online Shopping growing at 25% pa\*\*



MICHAEL KORS



HAWES & CURTIS  
JERMYN STREET  
LONDON



**68%** buy a substitute brand more brand disloyal

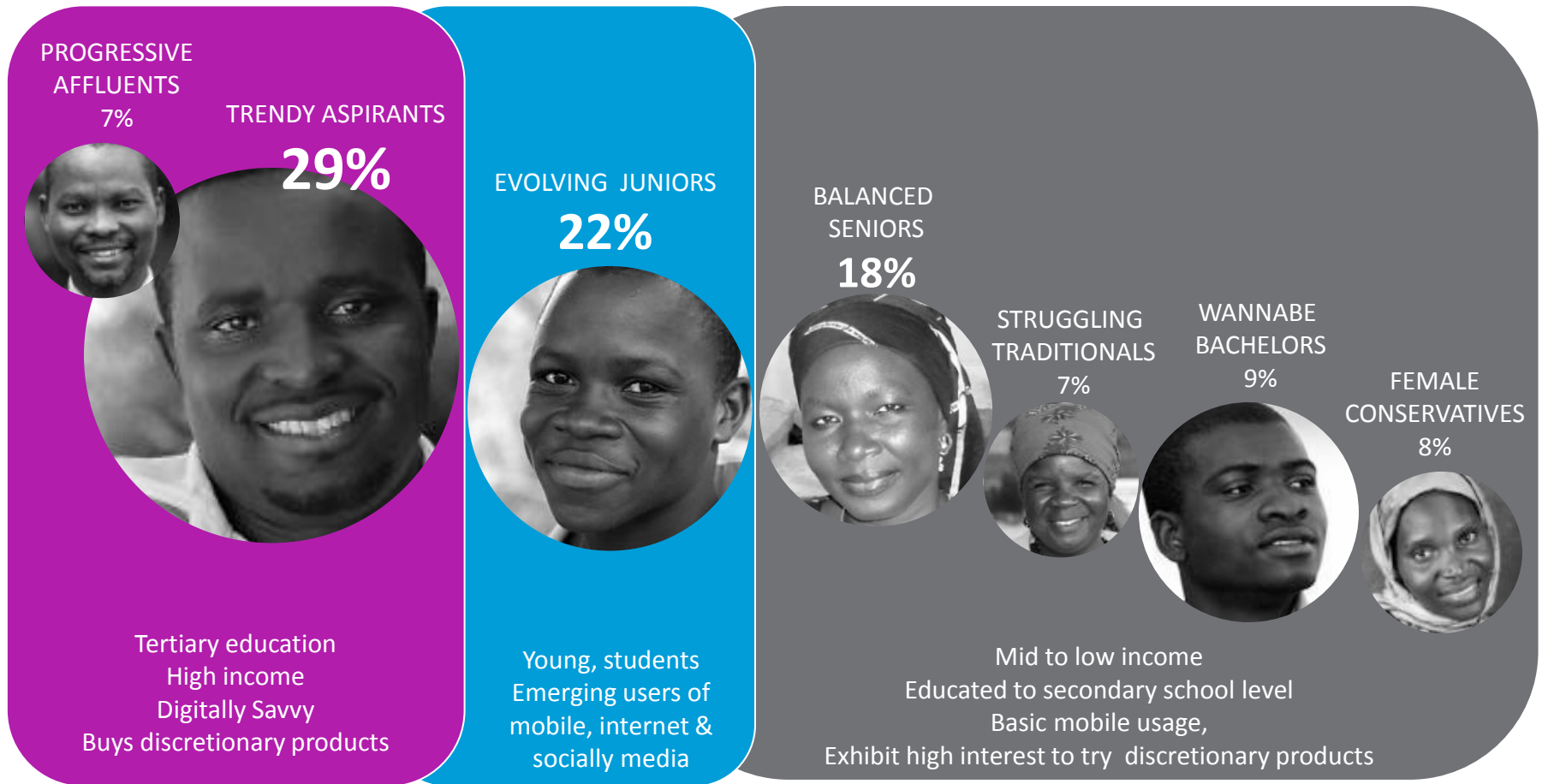


**31%** visit another store  
More store loyal

Source: Emerging Market Insights 1 and 2

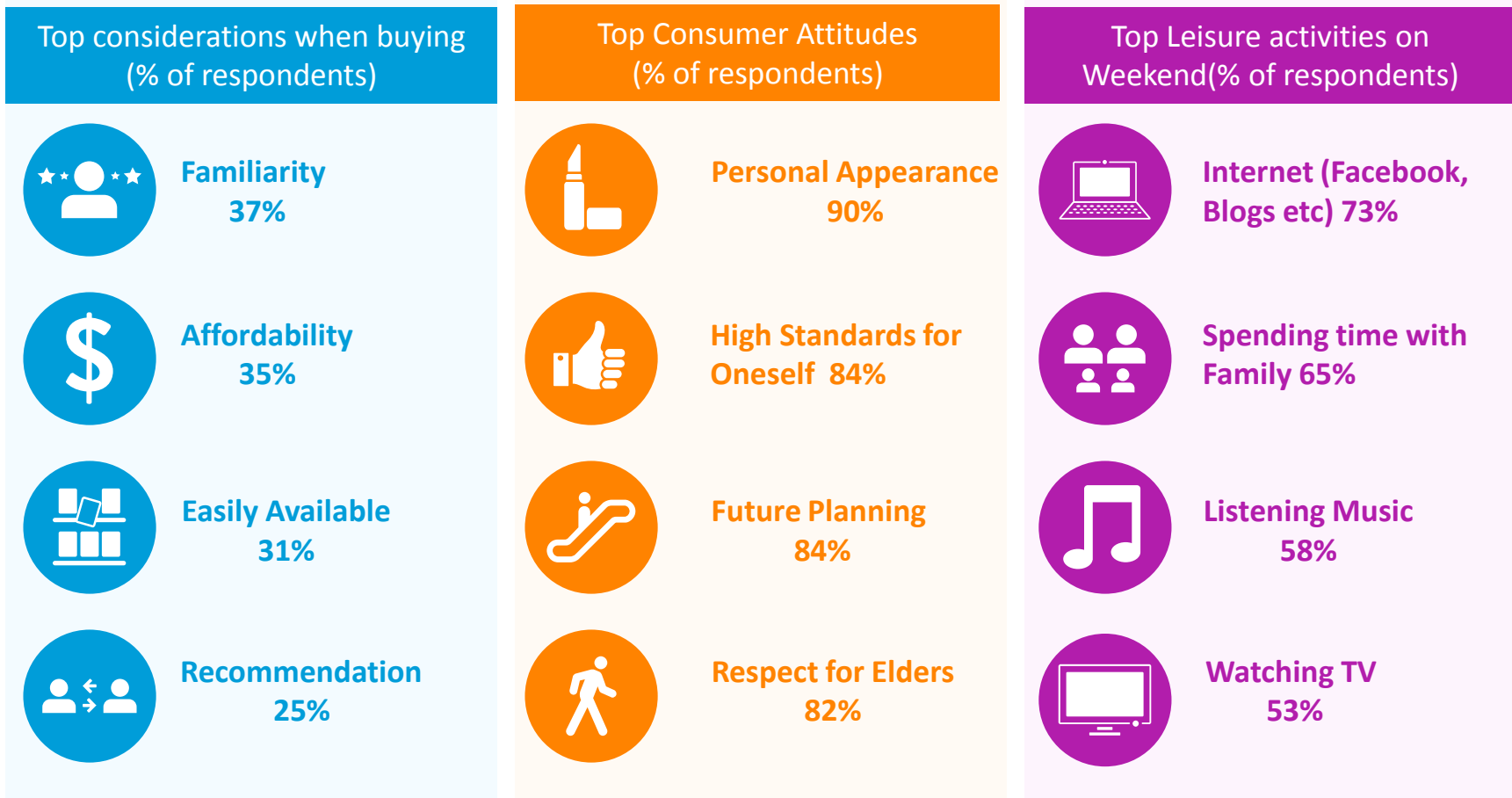
\*\* <http://africanheraldexpress.com/blog/2015/01/07/e-commerce-to-redefine-the-retail-sector-in-2015-in-nigeria>

# WHILE MIDDLE CLASS IS DRIVING CONSUMPTION THE LOWER INCOME GROUP HAVE HIGH INTEREST TO TRY



# AFFORDABILITY, TRUST, SELF GROOMING AND FAMILY ARE THEMES THAT REVERBERATE STRONGLY AMONG THE CONSUMING CLASS

Digitally connecting with consumers using these themes will help to elicit greater customer response and hence build customer loyalty

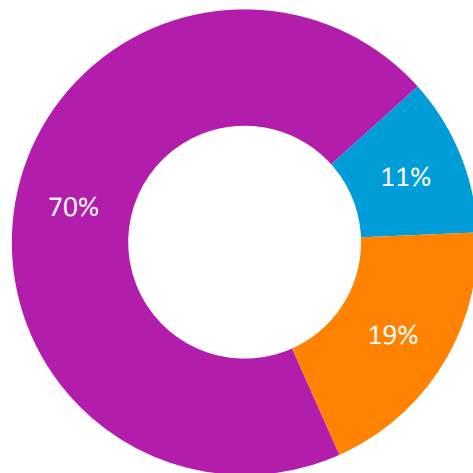


Source: Emerging Market Insights I, 2011 Base 600 Respondents, [S7] Factors taken into account when deciding which brand to buy/ [G1] Attitudes in general - TOP 2 BOX SUMMARY/ [L1] Leisure activities done on weekdays

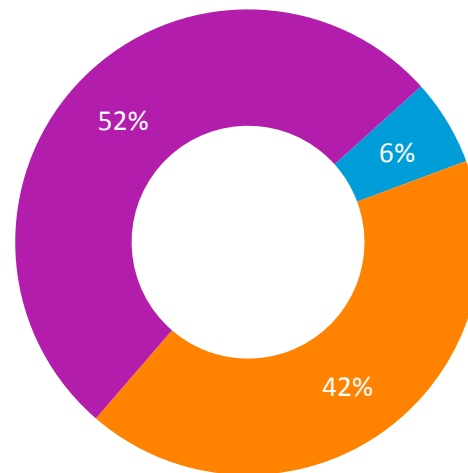
# ADVERTISING & PROMOTIONS ARE MORE EFFECTIVE THAN CSR IN MOTIVATING CONSUMERS TO BUY MORE

Progressive Affluents exhibit greatest tendency to buy more from companies that invest in CSR activities and promotions

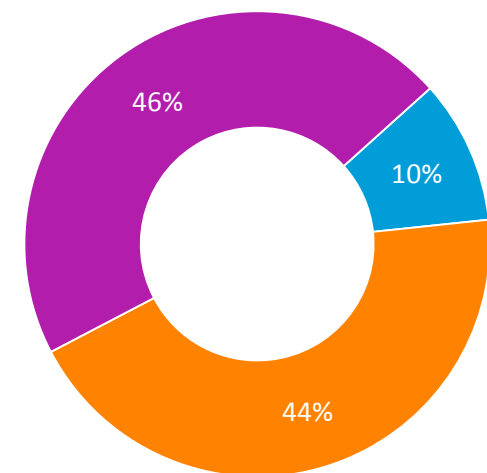
### Influence of Advertising



### Influence of Promotions



### Influence of Corporate Social Responsibility



Large/more than normal

Normal/Usual preference

Not influenced

Source: Emerging Market Insights 2015, Base All Respondents = 1154

OA.4. To what extent does advertising influences your brand choice? /OA.5. If a company / brand is heavily involved in Corporate Social Responsibility (CSR) activities / sponsors local events, which of the following statement would you say is applicable to you? /OA.6. If a company / brand is heavily involved in product promotion activities, which of the following statement would you say is applicable to you?

IN THE PURSUIT OF GUILT FREE CONSUMPTION,  
CONSUMERS ARE EXPECTING COMPANIES TO MAKE  
RELEVANT CHANGES TOO.....



# INCREASINGLY CONSUMERS ARE NOW AWARE OF THE DAMAGES DONE BY THEIR CONSUMPTION; TO THEMSELVES, TO THEIR FAMILIES, TO SOCIETY AND TO THE PLANET



# CONSUMERS ARE INCREASINGLY FOCUSSED ON HEALTH & WELL BEING AND APPROVE OF PRODUCTS AND COMPANIES THAT CARE



Good Food, Good Life





# RECOMMENDATIONS

## PROMOTE SUSTAINABLE GROWTH

Affluent class prefers to buy companies that give back to the society



## THINK YOUNG

Focus on what matters to the young and the affluent



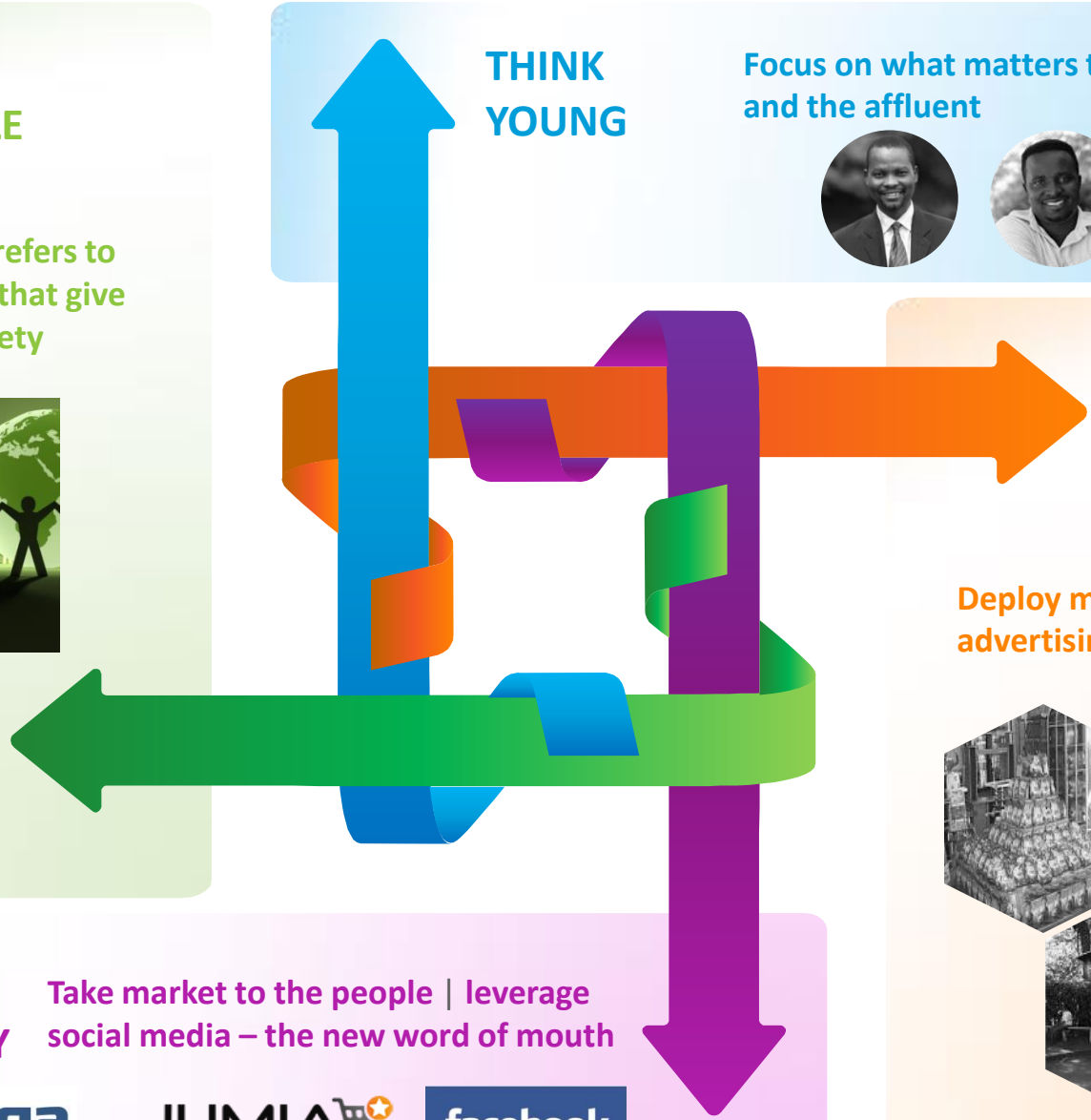
## DEVELOP THE MARKET

Deploy memorable advertising content



## LEVERAGE TECHNOLOGY

Take market to the people | leverage social media – the new word of mouth





THANK YOU