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Local brands flagged as foreign dominance persists in Africa

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Continent in a new era, driven by technology and greater continental connectedness, as well as growing pride in homegrown products and role models, writes Dianna Games

THE strains of former president Thabo Mbeki’s "I am an African" speech introduced the Brand Africa awards ceremony in Sandton last week. The event was a celebration of Africa’s own initiatives, culture and excellence, but the results of a cellphone survey of 6,000 African consumers across the continent released that very night showed that consumers still prefer foreign brands by a wide margin.

Of the top 100 brands chosen by respondents as being either their most admired or most valued, just 23 were African. Admittedly, MTN did top the 2015 Top 100 list, toppling Coca-Cola from last year’s top place to third, after Samsung. But most of the top-ranked companies were from the US, the UK, Japan, France and other places.

In the "most admired" stakes, top choices were global brands Guinness, Dolce & Gabbana, Toyota, Nestle, L’Oreal and Samsung. The most valuable brands included Heineken, Zara, Toyota, Nestle, L’Oreal, Apple, Cadbury, Google, Coca-Cola, Nike and Vodafone.

The weighting of local to foreign brands has not grown significantly since Brand Africa introduced the awards in 2011, even though the number of countries covered has grown from eight to 22.

The foreign dominance is unsurprising. Many multinationals have had a presence in African markets for decades, with little competition from local players. They enjoy economies of scale, large marketing budgets and global recognition.

Greater interconnectedness through technology means these brands are ever closer to African consumers’ lives and aspirations.

Foreign multinationals have also been smart about winning hearts and minds with domestic marketing campaigns and developing local product lines and packaging.

This can make geographical brand identification difficult.

Kenya’s Tusker beer, one of the top African brands in the survey, is actually owned by British company Diageo. Others ranked as top African brands include Safaricom, in which the UK’s Vodafone has a significant stake, and Peak Milk, a quintessentially Nigerian brand made by a Dutch multinational.

Historically, African brands have suffered from a lack of trust. Although the quality of goods and services is improving, many consumers, reliant on foreign brands for decades, tend to see them as being of lower quality than imported goods. This is changing as African companies gear up to take on foreign competitors by creating high-quality goods and services with particular relevance to African consumers.

Changes in the African corporate landscape are starting to be reflected in the awards. For example, SA no longer dominates the list of African brands. This position is now occupied by Nigeria, which had the second-highest number of "most admired" brands after the US. Nigeria’s telecommunications company, Glo, and manufacturing conglomerate Dangote Group were second and third among Africa’s most admired brands. Nigerian banks Zenith and First Bank of Nigeria also did well.

Lesser-known companies are making themselves felt. For example, Marsavco, a Congolese consumer goods company, was voted Central Africa’s top regional brand last year. This year, African online companies such as Kisua and Konga were recognised.

Flagging Africa’s brands by giving consumers a chance to benchmark them against the best in the world not only improves the image of Africa as a region of rising corporate success and creativity, it also gets Africans to focus more on home-grown brands.

The continent is in a new era, driven by technology and greater continental connectedness but also a growing pride in homegrown products and role models. This is forcing African companies to up their game.

Getting it right is not only about increasing the number of African companies on future Brand Africa lists, it is about driving a positive image of a developing continent.

• *Games is CEO of advisory company Africa @ Work and a member of The Africa Brand Counsel*

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